

# Program Evaluation

## Hard Rock Mining - Update

Montana Department of Environmental Quality



**ENVIRONMENTAL QUALITY COUNCIL**

September 27, 2017  
Authored by: Joe Kolman



## Introduction

The Environmental Quality Council (EQC) is required to evaluate programs within the Department of Environmental Quality (DEQ) pursuant to 75-1-324, MCA. That law requires the EQC to “review and appraise the various programs and activities of the state agencies, in the light of the policy set forth in 75-1-103, for the purpose of determining the extent to which the programs and activities are contributing to the achievement of the policy and make recommendations to the governor and the legislature with respect to the policy.”

The policy reads as follows:

The legislature, recognizing the profound impact of human activity on the interrelations of all components of the natural environment, particularly the profound influences of population growth, high-density urbanization, industrial expansion, resource exploitation, and new and expanding technological advances, recognizing the critical importance of restoring and maintaining environmental quality to the overall welfare and human development, and further recognizing that governmental regulation may unnecessarily restrict the use and enjoyment of private property, declares that it is the continuing policy of the state of Montana, in cooperation with the federal government, local governments, and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which humans and nature can coexist in productive harmony, to recognize the right to use and enjoy private property free of undue government regulation, and to fulfill the social, economic, and other requirements of present and future generations of Montanans.

In the 2015-16 interim, the council reviewed the Hard Rock Mining Program governed by the Metal Mine Reclamation Act. In 2017, the council asked for an updated evaluation to go along with solicited testimony from selected applicants.

# Metal Mine Reclamation

## Background

Montana has a long, well-documented history of mining for minerals that spans more than a century. However, it was not until 1971 that the Legislature passed a bill that still serves as the basis for the regulation of hard rock mining in Montana.

Rep. Harrison Fagg, R-Billings, sponsored House Bill 243, which stated:<sup>1</sup>

The extraction of mineral by mining is a basic and essential activity making an important contribution to the economy of the state and the nation. At the same time, proper reclamation of mined land and former exploration areas not brought to mining stage is necessary to prevent undesirable land and surface water conditions detrimental to the general welfare, health, safety, ecology, and property rights of the citizens of the state. Mining and exploration for minerals take place in diverse areas where geological, topographical, climatic, biological, and sociological conditions are significantly different, and reclamation specifications must vary accordingly. It is not practical to extract minerals or explore for minerals required by our society without disturbing the surface or subsurface of the earth and without producing waste materials, and the very character of many types of mining operations precludes complete restoration of the land to its original condition. The legislature finds that land reclamation as provided in this part will allow exploration for and mining of valuable minerals while adequately providing for the subsequent beneficial use of the lands to be reclaimed.

The legislation evoked impassioned testimony, with both sides predicting far-reaching effects.

Proponents included the National Forest Service, which said it would foster reclamation on federal lands, and the state Fish and Game Commission.

“The scars of mineral exploration and development have been with us a long time,” testified Don Aldrich of the Montana Wildlife Federation “and they are durable enough to last for many more generations. Society may never be able to reclaim the land laid waste, but we cannot ignore our obligation to the land to prevent future depletion of surface values.”<sup>2</sup>

Opponents included representatives of mining companies and the director of the Montana Bureau of Mines and Geology at Montana Tech, who said the act would kill mineral exploration in the state.

“With world nationalistic feeling riding at a very high tide, never before has Montana had a greater opportunity to participate in a mining and exploration boom,” wrote William M. Hand of the Southwest Montana Mining Association. “The volume, time and cost of the red tape, first in licenses and second in permits – would not, as the courts have decreed, ‘Warrant a prudent man to expend his time, effort and money in the hope of discovering a valuable mine.’”<sup>3</sup>

In addition to requiring exploration licenses and operating permits, the bill required bonding and allowed exemptions for miners who disturbed less than five surface acres and those who collected rocks as a hobby but did not earn more than \$100 annually from selling rocks.

<sup>1</sup> Legislative history, House Bill 243, 1971.

<sup>2</sup> Ibid.

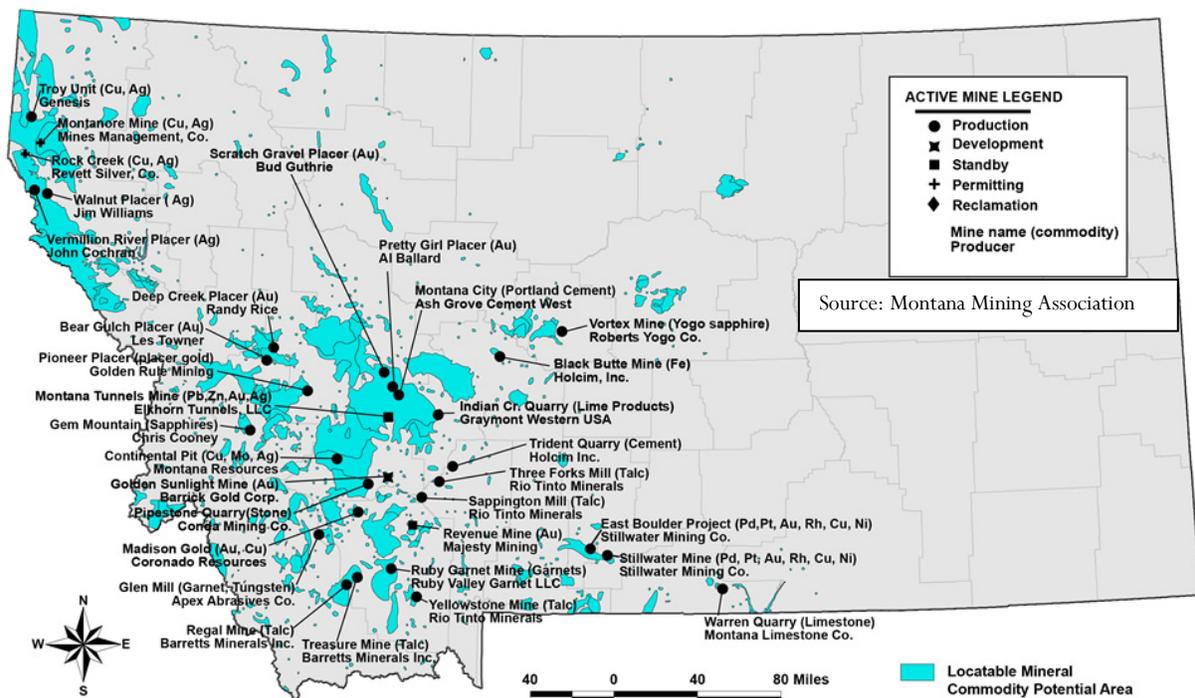
<sup>3</sup> Ibid.

## Regulatory Process

In general, the Hard Rock Mining Program covers any ore, rock, or substance removed for milling, concentration, refinement, smelting, manufacturing, or processing. This includes operations that mine for metals, gypsum, and talc. It does not include oil, gas, bentonite, clay, coal, sand, gravel, peat, soil materials, or uranium.<sup>4</sup>

A mining operation typically starts with an exploration license that allows one to drill holes and dig trenches to determine the viability of a site. If the site is viable, the operator can file for a small miner exclusion, which may waive reclamation on up to 5 acres. Operations disturbing more than 5 acres must apply for a general operating permit, which includes bonding and reclamation requirements.<sup>5</sup>

The Hard Rock Mining Program does not regulate activities commonly associated with recreational mining with limits on the size of the disturbance and the type of activity. Mining is exempt as long as no motorized equipment or blasting agents are used, less than 100 square feet or 50 cubic yards of material are disturbed at a single site, and sites not reclaimed are more than 1 mile apart. Cyanide or leaching agents are not allowed. Mercury must be used in a contained facility. Suction dredging with an intake of less than 4 inches in diameter is allowed in a streambed provided that permits are obtained from the DEQ for discharging materials and from the local conservation district for work in a streambed.<sup>6</sup>



<sup>4</sup> If a mining operation produces gravel by crushing bedrock, it is regulated under the Metal Mine Reclamation Act.

<sup>5</sup> [Hard Rock Mining Application Requirements](#), DEQ.

<sup>6</sup> 82-4-310, MCA.

## Exploration License

Requirements for an exploration license to determine the potential of an ore body include a \$100 fee, a limit of 10,000 short tons of material tested, and an agreement to reclaim surface area as determined by the DEQ. Licenses are issued for 1 year but are renewable.<sup>7</sup>

The program oversees 142 current exploration licenses. Seventeen exploration applications are pending.<sup>8</sup>

Required reclamation includes removal or disposal of drill cuttings, drilling mud, and other nontoxic lubricants. Constructed access roads must be returned to a stable slope and possibly closed. Drill sites must approximate the original contour when possible. The first 25 feet of an adit must be backfilled to prevent the degradation of discharge water. Where feasible, soils salvaged during exploration must be reapplied and areas revegetated.<sup>9</sup>

A performance bond is required for reclamation and revegetation.<sup>10</sup>

## Small Miner Exclusion

A “small miner” is defined as a person or corporation not required to obtain an operating permit. There is no application or renewal fee for small miners; however, a small miner must submit an annual report and renewal form. Under the exclusion, up to 5 acres of disturbed area may be exempt from reclamation for a single site. A small miner may have up to two sites, provided the sites are more than 1 mile apart.

A small miner may not pollute a stream; must install doors, fences, or another means to block entry by human or animals to adits and tunnels; and must provide the department with a map of the operation. If the small miner uses placer or dredge methods, essentially the use of water in the operation, the reclamation bond of up to \$10,000 is required. Reclamation includes grading and revegetation to ensure slope stability, minimize erosion, and prevent water contamination.<sup>12</sup>

Bonding and reclamation are also required for small miners who store waste ore from processing in an impoundment, the design and construction of which must be approved by the DEQ.

The program oversees 412 small miner operations, though some of those may be inactive for any number of reasons.<sup>13</sup>

Prior to a 1998 initiative that banned the use of cyanide ore processing agents, small miners and permitted operators were allowed to use that practice. No small miners in existence prior to the ban are using the process now, according to the DEQ. However, the DEQ would determine if a small miner using cyanide at a particular site prior to the ban would fall under the grandfather provision.

## Operating Permit

An applicant for an operating permit submits a \$500 fee and a variety of information, including the type of the mineral to be mined, the legal source of the applicant’s right to mine the mineral, a reclamation plan, hydrologic data, proposed plans for impoundments including those used for tailings, proposed methods to monitor and mitigate

<sup>7</sup> 82-4-331 and 82-4-332, MCA, and [17.24.102 ARM](#).

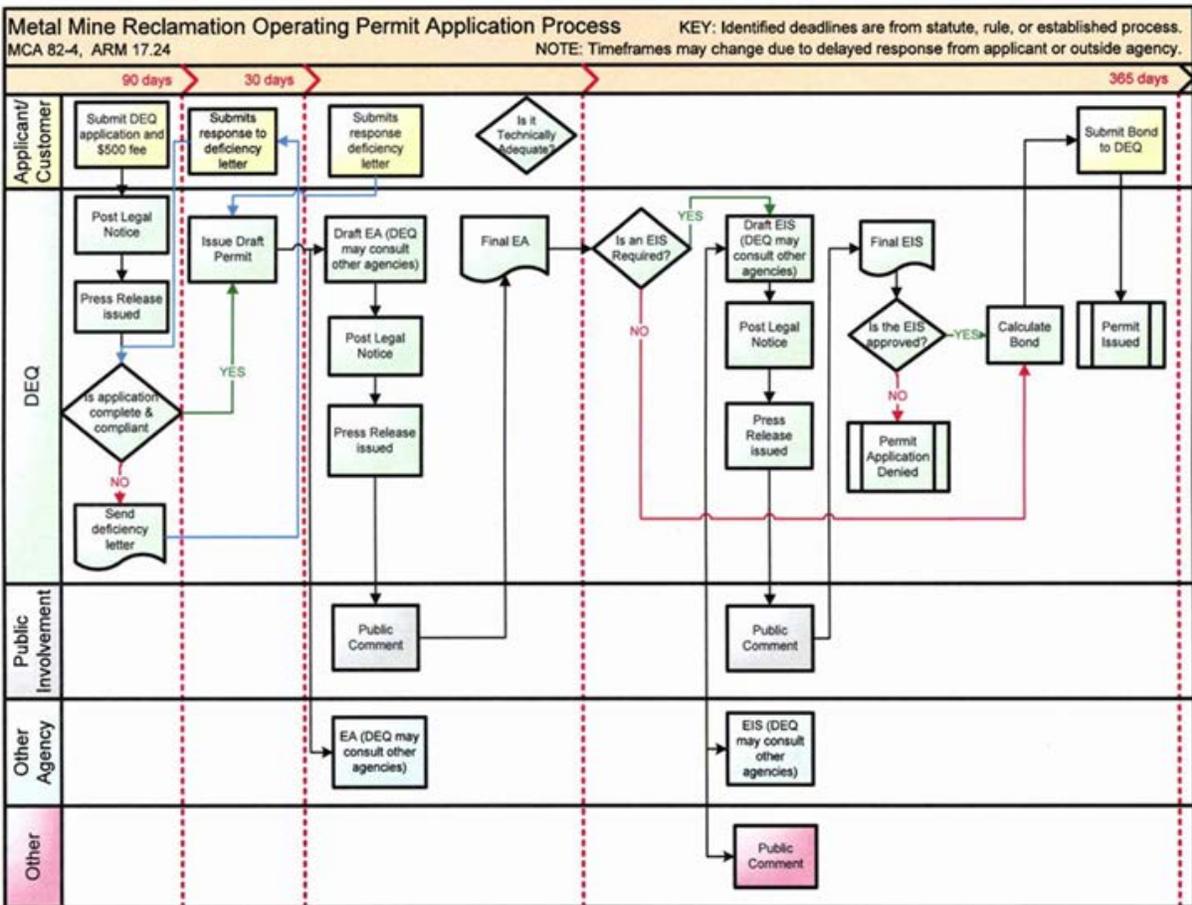
<sup>8</sup> DEQ, 2017.

<sup>9</sup> [17.24.107 ARM](#).

<sup>10</sup> 82-4-332, MCA.

<sup>12</sup> 82-4-305, MCA; [17.24.102 ARM](#).

<sup>13</sup> DEQ, 2017.



accidental discharges of objectionable materials, and an assessment, which includes consulting local county commissioners, about industrial uses after mining.

The operating permit covers all types mining practices except open-pit mining for gold or silver that uses heap leaching or vat leaching with cyanide ore-processing reagents.<sup>14</sup>

Other permits also may be required by the mining operation, including air quality and surface and groundwater discharge permits from the DEQ, wetland or stream permits from the U.S. Army Corps of Engineers and the local conservation district, and a water permit or a change authorization from the Department of Natural Resources and Conservation.

The department and the applicant also calculate a performance bond before a permit is issued.

### Reclamation Plan

Reclamation of a mining operation must take into account site-specific circumstances and the postmining use of the mine. Reclamation activities related to erosion control must be conducted when feasible in conjunction with mining

<sup>14</sup> 82-4-390, MCA; 82-4-335, MCA. The Golden Sunlight Mine in Jefferson County was using cyanide-ore processing reagents at the time of the initiative and is allowed to continue doing so. Another mine near Norris also was using the process, but that mine is now dormant.

activity. All reclamation must be completed within 2 years after mining is completed, unless a longer period is allowed by the DEQ.<sup>15</sup>

The plan must include measures to ensure public safety and prevent the pollution of air or water or the degradation of adjacent lands. If the mining operation includes an open pit of more than 2 acres and the exposed walls or floor of the pit when exposed to water are likely to cause acid or toxic solutions, the plan must include measures to prevent and mitigate the effects of those solutions. Open pits and rock faces must be reclaimed to a stable condition that affords utility to humans or the environment and mitigates visual contrasts and environmental impacts with adjacent lands. However, the law notes that the department requirement to backfill an open pit must be based on whether and to what extent filling the pit achieves those conditions.<sup>16</sup>

Permanent landscaping and contouring is required to prevent precipitation infiltration into disturbed areas. The reclamation plan must include measures to prevent objectionable postmining groundwater discharges.<sup>17</sup>

### Tailings Storage Facilities

Tailings impoundments were regulated prior to 2015; however, a bill that took effect last year significantly changed how mining operations and the department address those facilities. [Senate Bill 409](#) defines tailings storage facilities and establishes design and inspection standards.

### Bonding

Article IX, section 2, of the Montana Constitution speaks to reclamation and provides a basis for reclamation bonding.

**Section 2. Reclamation.** (1) All lands disturbed by the taking of natural resources shall be reclaimed. The legislature shall provide effective requirements and standards for the reclamation of lands disturbed.

Since the enactment of the Metal Mine Reclamation Act, bonding has been controversial. Following the discovery that bonds for six mines operated by Pegasus Gold Corp., which declared bankruptcy in 1998, were significantly short of what was needed to reclaim the mine sites, the Audit and Fiscal divisions of the Legislature examined the process. The most recent study was conducted in 2004 by the Environmental Quality Council.<sup>18</sup>

In general, these are the statutory principles of state mine bonding:<sup>19</sup>

- A mine operating permit may not be issued without the submittal and approval of a reclamation plan.
- A mine operating permit may not be issued until an adequate bond is provided.

Type of Bond	Total of Each Type	Total Amount
Cash	276	\$24,715,188.70
Certificates of Deposit	69	\$1,471,638.62
Letters of Credit	28	\$12,697,338.60
Sureties	54	\$303,345,299.00
Property Bonds	6	\$5,016,329.00
<b>GRAND TOTAL:</b>	<b>433</b>	<b>\$347,245,793.92</b>

<sup>15</sup> 82-4-336, MCA.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Larry, D. Mitchell, [Metal Mine Bonding in Montana, Status and Policy Considerations](#), 2004.

<sup>19</sup> 82-4-335, 82-4-336, 82-4-337, 82-4-338, and 82-4-342, MCA.

- The amount of bond required must be sufficient to implement the reclamation plan and cover the state's cost of managing the mined site in the event of abandonment by or insolvency of the operator until the bond can be liquidated.
- Bonds and reclamation plans may be changed to account for changing conditions at the site if an environmental review is completed first. Bonds may also be increased if unanticipated circumstances create a substantial and imminent danger to public health, public safety, or the environment or if water quality standards would likely be violated.

Bond calculation is based on what it costs to implement a reclamation plan that meets the requirements of the law and agency rules. That figure is arrived at using industry cost estimates, modeling, and the experience of industry and agency officials. Though it was known that long-term water treatment was an issue, the Pegasus bankruptcy made clear that water treatment was not adequately considered in setting bonds.<sup>20</sup>

The 1999 Legislature passed [House Bill 183](#) which:<sup>21</sup>

- eliminated the \$2,500 per-acre-cap on metal mine bonds;
- added to the bond calculation the state's costs of managing, maintaining, and operating an abandoned or bankrupted mine site until the bond can be fully liquidated;
- required a comprehensive review of each metal mine bond at least every 5 years and anytime the state determines that a bond increase may be needed;
- provided for a hearing and statewide notice anytime the DEQ intends to release or decrease a bond amount; and
- added authority to require reclamation of a mine permit area if no activity has occurred in the 5 years prior to the 5-year comprehensive bond review if air or water quality violations may occur as a result of further suspension of operations.

In 2001, the Legislature passed [House Bill 69](#), which implemented some suggestions of the Legislative Finance Committee. The bill changed the law by:

- requiring the mine operator to post an increased reclamation bond within a time limit unless a hearing is requested, in which case the operator must provide the greater of whatever increase is acceptable to the operator or one-half of the total increase pending the outcome of the hearing;
- denying an operating permit to a person if the state or the person's surety had to provide mine reclamation on the person's behalf unless the person reimburses those costs with interest;
- suspending permits, resulting in the immediate cessation of operations until the required bond is posted;
- authorizing the state to forfeit a bond in increments of \$150,000 or 10 percent of the bond (whichever is less) to abate immediate dangers if the permittee will not; and
- authorizing the state to forfeit the bond and reclaim the site to prevent air and water quality violations or to implement the reclamation plan if the permittee will not.

Other bills following Pegasus that dealt with bonding and reclamation costs, include:

<sup>20</sup> Mitchell, [Metal Mine Bonding in Montana, Status and Policy Considerations](#), Mitchell, 2004.

<sup>21</sup> Ibid.

- [Senate Bills 49](#) and [492](#) in 1999 which reallocated some metalliferous mine taxes and resource indemnity and ground water assessment taxes to the DNRC Reclamation and Development Grant Program and to the orphan share program and placed more emphasis on abandoned mine cleanup for RDG program funds;
- [Senate Bill 449](#) in 2001 which established a new environmental rehabilitation and response account (ERRA) for use by the DEQ to respond to environmental damages from a variety of causes, including mining; and
- [Senate Bill 484](#) in 2001, which authorized the sale of up to \$8 million in general obligation hard rock reclamation bonds payable with 8.5 percent of the metalliferous, mine taxes for the direct state involvement in the maintenance and reclamation of insolvent mine operations. The DEQ used proceeds from a \$2.5 million bond issue in FY 2002 to continue reclamation activities at the Beal Mountain mine, one of the Pegasus properties, after the \$6.3 million surety bond was spent.

In 2004, the EQC study reported just more than \$198.7 million in bonds for metal mines in Montana. As of August 2017, the state now holds about \$347 million. The DEQ attributes much of that increase to a more thorough knowledge of water issues, and the need for long-term water treatment, at complex mine sites gained in large part through the failure of common wisdom that prevailed just 25 years ago. The agency also has a better understanding of cleanup costs, including engineering, labor, and equipment.

The department is required to conduct an overview of bond amounts annually and a comprehensive bond review annually. Appendix B shows the funding sources for the Zortman-Landusky cleanup. Appendix A shows current bond information for all permittees.

## Financial Overview

There are 12.5 full time equivalent in the hard rock program. The program has an annual budget of about \$1.5 million. More budget information is available in Appendix B.

## Enforcement

Hard rock permit holders are required to file annual reports that include the amount of acreage disturbed and reclaimed over the last year as well as an estimate of how much land will be disturbed in the coming year.<sup>22</sup>

The agency is required to inspect permitted areas at least once a year. Three inspections a year are required for operations that exceed 1,000 acres, are required to monitor for potential acid rock drainage, or are using leaching solvents. The program reports that it is meeting the inspection requirements.<sup>23</sup>

If deficiencies in compliance with the reclamation plan are noted in writing by the DEQ, the permittee must address the problems within 30 days and diligently proceed to correct the issues.<sup>24</sup>

Over the last 2 years ending in July 2017, there were seven citizen complaints regarding the Metal Mining Reclamation Act. Of those complaints:<sup>25</sup>

- four were referred to the Hard Rock Program and closed;
- two were closed by the Enforcement Division of DEQ; and
- one was closed for not having enough information.

<sup>22</sup> 82-4-339, MCA.

<sup>23</sup> [17.24.128 ARM](#).

<sup>24</sup> 82-4-341, MCA.

<sup>25</sup> DEQ, 2017.

None of the complaints became a formal enforcement case.

The Hard Rock Mining program generally strives for compliance over enforcement. Examples include advising small miners that they may only have 5 acres of unreclaimed land or telling drillers to dig deeper sumps to contain fluids.

Issues noted in the 2004 EQC report related to the enforcement of reclamation requirements still apply, notably that suspending or revoking an operating permit for an inactive or underbonded mine prevents the company from mining ore, investing in the operation, or selling the operation. That means the company likely will not have the money to get an adequate bond or reclaim the site; increasing the chance the state would incur the cleanup costs. For example, the bond required for Montana Tunnels is \$39 million. The DEQ reports the amount being held is about \$20 million.

### **Pending Actions & Industry Outlook**

Metal prices are at multi year lows. Production and revenues are down. Because voters banned the use of cyanide leaching in 1999, most of the mineral exploration is done by individuals or junior companies, as opposed to the major corporations. Funding for mining operations is difficult to raise. Three projects approved by DEQ have yet to start mining because of lack of funding – the Golden Dream underground gold mine, Montana Tunnels M-pit expansion, and the Butte Highland Ventures underground gold mine.

The program reviewed an application from the [Crevice Mining Group](#) to explore near Jardine. The application is incomplete, but the applicant has submitted no response. An exploration license for [Lucky Minerals Montana](#) to explore near Emigrant is complete and the bond amount is set, however the applicant has not yet submitted the required bond. Operating permit applications under review include [Black Butte copper project](#) in Meagher County, [Glacier Stone](#) in Flathead County, Carter County in Carter County, Gordon Jones in Wheatland County, Kootenai Rocks in Wheatland County, and [Montana Limestone Resources](#) in Granite County.

## Appendix A: Current Operating Permit Bonds

Permit	Company	Last Review	Review Due	Review Status	2016 Bond Amount & Notes
00023	ADKINS, MICHAEL (formerly Walter O'Hara)	July 3, 2008	July 2, 2013		\$38,165
00012	ARCO ENVIRONMENTAL REM., LLC	October 24, 2014	October 23, 2019		\$148,094
00168	APEX ABRASIVES, INC	March 21, 2012	March 20, 2017		\$42,824
00063	BLACK PINE (MONTANA ENVIRONMENTAL TRUST GROUP, LLC)	June 1, 2000	May 31, 2005	Bankruptcy	\$1,574,149 (Trustee has additional \$13,202,494)
00003	ASH GROVE CEMENT CO.	May 7, 2012	May 6, 2017		\$4,581,305
00130	BARNARD CONSTRUCTION CO.	October 28, 2016	October 27, 2021		\$1,000
00009	BARRETTS MINERALS, INC. (mill)	June 10, 2014	June 9, 2019		\$493,515
00013	BARRETTS MINERALS, INC. (Regal)	January 25, 2015	January 24, 2020		\$3,148,315
00078	BARRETTS MINERALS, INC. (Treasure)	October 20, 2016	October 19, 2021		\$5,360,214
00008	BIG HORN LIMESTONE CO. (Warren)	December 16, 2016	December 15, 2021		\$1,716,145
00164	BIG SKY MASONRY STONE, INC.	August 23, 2016	August 22, 2021		\$37,820
00089	BLACK DIAMOND	January 16, 2015	January 15, 2020		\$145,175
00185	Block MT Slate & Stone	October 4, 2016	October 3, 2021		\$74,236
00166	BOZEMAN BRICK BLOCK & TILE	September 7, 2012	September 6, 2017		\$24,250
00122	C.R. KENDALL CORP.	May 31, 2000	May 30, 2005	Bankruptcy	\$2,051,283
00134	CABLE MOUNTAIN MINE, INC.	December 29, 2014	December 28, 2019		\$15,755
00160	DIAMOND HILL MINING, INC.	September 15, 2008	September 14, 2013	Permit Suspended	\$730,605
00171	GAUGER, TOM	July 19, 2017	July 18, 2022		\$23,925
00157	GARNET USA (Red Wash and mill)	April 15, 2014	April 14, 2019		\$722,848
00173	ELKHORN GOLDFIELDS	November 30, 2011	November 28, 2016		\$591,474
00163	ES STONE & STRUCTURE	February 18, 2015	February 17, 2020		\$208,700
00183	GOLDEN RULE	May 22, 2013	May 21, 2018		\$245,000
00065	GOLDEN SUNLIGHT MINES, INC.	March 11, 2009	March 10, 2014		\$146,564,163 (Total includes water treatment)
00105	GRAYMONT WESTERN US, INC.	December 27, 2011	December 25, 2016		\$7,332,650
00140	HIGHLAND GOLD PROPERTIES	October 10, 2012	October 9, 2017	Permit Suspended	\$25,000
00184	CRH Old Castle GEYSER (Gypsum)	May 22, 2013	May 21, 2018		\$359,846
00071	CRH Old Castle (Iron ore)	September 7, 2012	September 6, 2017		\$35,412
00004	CRH Old Castle (Trident)	January 25, 2016	January 23, 2021		\$4,126,121
00005	IMERYS (Yellowstone mine)	March 13, 2017	March 12, 2022		\$7,794,117
00075	IMERYS (Beaverhead mine)	April 21, 2015	April 19, 2020		\$116,000

00127	IMERYS (Sappington mill)	June 18, 2015	June 16, 2020		\$202,175
00176	JESSON ROCK-N-RANCH	August 29, 2013	August 28, 2018		\$15,000
00010	KOOTENAI DEVELOPMENT CO.	August 22, 1997	August 21, 2002	CERLA	\$66,700
00162	MAJESTY MINING, INC.	February 22, 2017	February 21, 2022		\$108,384
00015	JD RUSSELL EXCAVATING INC	August 3, 2016	August 2, 2021		\$178,000
00030,30 A	MONTANA RESOURCES, INC.	August 8, 2015	August 6, 2020		\$57,577,902
00175	MONTANA ROCKWORKS, LLP	January 17, 2014	January 16, 2019		\$293,672
00172	PARAMOUNT EQUIPMENT, INC. (dba MT SOLID ROCK QUARRY)	November 15, 2012	November 14, 2017		\$59,387
00113	MONTANA TUNNELS MINING, INC.	February 26, 2003	February 25, 2008	Permit Suspended	\$19,783,826
00150	MONTANORE	January 10, 2007	January 9, 2012		\$1,154,055 (for phase 1),
00165	MBMT ACQUISITIONS	September 7, 2016	September 6, 2021		\$39,420
00152	M&W MILLING & REFINING, INC.	April 11, 2013	April 10, 2018		\$174,687
00182	NOBLE EXCAVATING	April 23, 2012	April 22, 2017		\$340,431
00170	BUD COLBY	July 15, 2012	July 14, 2017		\$6,138
00123	PAN AMERICAN MINERALS, INC.	December 24, 2012	December 23, 2017		\$54,000
00154	PAUL KURTH MINING	October 4, 2016	October 3, 2021		\$66,333
00148	PIPESTONE QUARRY, LLC	April 15, 2015	April 13, 2020		\$915,200
00167	WEYERHAEUSER COMPANY	Annually	Annually		\$152,368
00153	SAPPHIRE VILLAGE	December 29, 2014	December 28, 2019		\$15,742
00077	SAVOY, WALTER H.	December 26, 2012	December 25, 2017		\$5,000
00045	SHELLINGER CONSTRUCTION CO. (Essex Quarry)	July 29, 2010	July 28, 2015		\$153,568
00179	SCHUMAKER TRUCKING & EXCAVATING	February 22, 2012	February 20, 2017		\$246,373
00158	SILICA MINING	March 14, 2008	March 13, 2013	Permit Suspended	\$21,150
00044	SKALKAKO GRAZING, INC.	July 19, 2001	July 18, 2006	Permit Suspended	\$180,000
00149	STILLWATER MINING CO. (East Boulder)	August 25, 2014	August 24, 2019		\$17,486,007
00118	STILLWATER MINING CO. (Nye)	June 6, 2016	June 5, 2021		\$21,518,836
00082	STIMSON LUMBER	December 27, 2012	December 26, 2017		\$4,200
00093	TROY	November 17, 2016	November 16, 2021		\$24,687,842
00100	TVX MINERAL HILL, INC.	October 24, 2014	October 23, 2019		\$1,800,276
00045A	U.S. ANTIMONY CORP.	January 24, 2014	January 23, 2019		\$47,200
00174	VALLEY SAND & GRAVEL, LLC	December 30, 2014	December 29, 2019		\$124,855
00189	Venture Stone LLC	June 6, 2017	June 5, 2022		\$20,339
00180	VOISE LAWRENCE	January 9, 2015	January 8, 2020		\$22,176
00022	WEAVER & ALT	June 12, 2007	June 10, 2012	Permit Suspended	\$22,986)

## Appendix B: Hard Rock Budget

### Hard Rock Budget and Expenditures

	FY16 Budget	FY16 Expenditures	FY17 Budget	FY17 Expenditures
Personal Services	1,143,047	1,097,457	892,050	1,041,654
Operating <sup>28</sup>	3,438,362	2,696,750	3,079,716	2,463,261
Equipment	22,249	5,999	0	0
<b>Totals:</b>	<b>4,603,658</b>	<b>3,800,206</b>	<b>3,971,766</b>	<b>3,504,914</b>

### Hard Rock

Fund	FY16	FY17
General Fund	923,039	769,862
Reclamation & Development Funding Grants (DNRC)	0	0
MFSA Certificate Holder Payments	34,800	0
Pegasus Surety	731,321	731,321
Natural Resources Operations Account <sup>29</sup>	691,902	722,241
Hard Rock Reclamation <sup>30</sup>	1,927,596	903,618
BLM Payments for Zortman-Landusky	295,000	832,000
<b>Total</b>	<b>4,603,658</b>	<b>3,971,766</b>

<sup>28</sup> The Zortman-Landusky Contractor Payments are included in the operating budget.

<sup>29</sup> 15-38-301, MCA. Account includes revenue from resource indemnity trust fund, metal mines license tax, and oil and natural gas production tax.

<sup>30</sup> 82-4-312, MCA. Funds from metalliferous mines tax.

## Sections

<b>Hard Rock</b>	<b>FY16 Budget</b>	<b>FY16 Expenditures</b>	<b>FY17 Budget</b>	<b>FY17 Expenditures</b>
Resource Indemnity Trust	691,902	546,549	722,241	649,560
General Fund	885,400	885,476	694,422	690,881
Hard Rock General Fund Contingency	37,639	37,369	75,440	75,440
<b>Hard Rock Total</b>	<b>1,614,941</b>	<b>1,469,664</b>	<b>1,492,103</b>	<b>1,415,881</b>
<b>Zortman-Landusky</b>				
Pegasus Bankruptcy/ Operations	731,321	731,321	731,321	731,321
BLM	295,000	295,000	832,000	432,000
Hard Rock Reclamation	1,927,596	1,288,108	925,748	925,748
Zortman-Landusky Total	2,954,917	2,314,429	2,489,069	2,089,069
<b>Total</b>	<b>4,568,858</b>	<b>3,903,291</b>	<b>5,052,158</b>	<b>3,973,497</b>

CI0099 7254 jkea