

Attachment 3

2006 Reclamation Submittals

Flambeau Mine

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

January 31, 2006



Mr. Lawrence J. Lynch
Mine Reclamation Unit
Bureau of Solid & Hazardous Waste Management
101 South Webster Street, GEF II
Madison, WI 53707

Dear Mr. Lynch:

RE: Flambeau Mining Company - List of Anticipated 2006 Reclamation Activities

Flambeau Mining Company (Flambeau) is submitting the following list of reclamation activities, which are anticipated to be performed during 2006. This list is submitted to fulfill the requirement of the Mining Permit, Part 3, Condition 26(a). Section 8 discusses reclamation activities within the Industrial Outlot.

1 Supply Procurement

1.1 Seed & Plants

During May 2001, Flambeau completed the planting plan on the reclaimed mine site. Any planting that may occur on the reclaimed mine site during 2006 will involve enhancement species only and be procured from local school greenhouses.

1.2 Erosion Control Supplies

The need for erosion control supplies is not anticipated due to the highly stabilized nature of the surface reclamation of the former mine site. However, any necessary erosion control activities will be consistent with those presented in the Surface Water Management Plan (SWMP) (May 1991) and the Surface Reclamation Implementation Plan (SRIP) (March 1998). The reclaimed mine site will be routinely inspected and erosion control supplies procured as necessary.

2 Erosion Control

Erosion control measures that were installed on the reclaimed mine site include biofilters, riprap, straw bales, mulching, and cover crop seeding. During 2006, additional installation of erosion control on the reclaimed mine site is not anticipated. Routine inspection of the site will be performed to determine the site's continued stability.

3 Onsite Vegetation Activities

Flambeau completed the planting plan for the reclaimed Flambeau Mine site during May 2001. If planting takes place on the reclaimed mine site, students will provide native plants grown in school greenhouses. The native species will be consistent with Flambeau's enhancement species list.

Irrigation of the woodland units and the adjacent Wetland 1 will be performed as necessary. River water will be withdrawn from the Flambeau River in accordance with the Department's approval letter dated May 5, 1998. Since electrical service was removed during 2001, a portable generator will be used to operate the irrigation pumping system.

4 Water Management

The reclaimed mine site and industrial outlot have been hydraulically designed to withstand significant precipitation events. Both areas are contoured such that the majority of stormwater runoff collects in the 8.5 acre wetland or biofilters prior to flowing to the Flambeau River, Intermittent Stream A, or Intermittent Stream C.

Water management now consists of utilizing the constructed wetlands and biofilters as they were designed. The same is expected during 2006 for water management.

During 2006, routine inspections of the reclaimed mine site during and following significant precipitation events will occur throughout spring, summer, and fall. Management of runoff will occur as necessary.

5 Maintenance

Maintenance of the site will consist of mowing, burning and herbicide treatment. Mowing will be performed to maintain walking trails, firebreaks and, as necessary, development of native species in areas where invasive species are competing. The seventh year of prescribed burning will be performed on the southern third of the site during Spring 2006, the exact schedule being determined by seasonal trends. Herbicide treatment of invasive species will be conducted as necessary throughout the 2006 growing season. AES personnel and/or Flambeau employees will perform herbicide treatment.

Routine inspections and evaluations of the site will be performed to determine what maintenance is necessary. Maintenance will be performed as necessary on an on-going basis.

6 Monitoring

Monitoring of the site will be performed in accordance with the Monitoring Plan (Section 5.11.4.8, MPA) and the Surface Reclamation Ecological Monitoring Program (SREMP) (December 1998). Results of monitoring will be presented in the 2006 Annual Reclamation Report. The anticipated 2006 monitoring schedule follows below:

2006 Flambeau Monitoring Schedule

Spring (Late May):

- Vegetation Diversity (TMS)
- Bird Survey
- Butterfly Survey

Late Summer (Mid-August):

- Vegetation Diversity (TMS)
- Vegetation Percent Cover (quadrats)
- Woody Survivorship (belt transects and population counts in woodlands)
- Wetland & Biofilter (stem density estimates)
- Butterfly Survey
- Biomass Collection/Determination

In addition to formal monitoring, the reclaimed mine site will be routinely observed and notable conditions logged which may support the documentation of the formal monitoring program. An example being the observation of wildlife utilizing the reclaimed mine site.

6.1 Grazing Exclosure

As described in the SREMP, grazing exclosure were installed concurrent with the decommissioning of the perimeter fence during Spring 2001. The grazing exclosure was installed to include representative areas of both woodland planting zones (I & J) to allow monitoring woodland plantings in the absence of deer browsing damage. During Spring and late Summer 2006 monitoring, any damage to woody species outside the exclosure will be documented.

6.2 Habitat Evaluation Procedure (HEP)

During 2002, Flambeau submitted the HEP prepared using 2000 monitoring data and subsequently, two updated HEP reports using 2001 and 2002 monitoring data. During 2004, the fourth and final HEP prepared for the three approved avian species, Savanna sparrow – grassland; Great crested flycatcher – woodland; and tree swallow – wetland, was updated with 2003 monitoring data and submitted. Flambeau has completed the requirement for Habitat Evaluation.

6.3 Terrestrial Ecology

In accordance with Section 3.1.6 of the Updated Monitoring Plan (July 1991), aerial and color infrared photography will be completed in the late summer for four consecutive years following completion of closure and every five years thereafter throughout the long-term care and maintenance period to monitor success of revegetation. With the submittal of Flambeau's Notice of Completion in September 2001, 2002 was the first year of the four consecutive years for aerial and color infrared photography. The fourth consecutive year of aerial and color infrared photography was conducted in late summer 2005.

Section 3.1.5.1 (Percent Cover) of the Updated Monitoring Plan states that cover measurements should correlate with the aerial color infrared photography. Therefore, aerial and color infrared photography will be conducted in late summer 2006.

7 Project Area Activities (Outside Mine Site)

7.1 Buffer Screen

No activity is anticipated to occur within the buffer screen, which is consistent with a Department letter dated July 29, 1996.

7.2 Wetland 1

Wetland 1 located west of the mine site and within the project area is routinely assessed. Wetland 1 continues to exhibit wetland characteristics and the hydrology is much improved due to re-establishment of groundwater seeps. Large areas of standing water were observed in Wetland 1 throughout 2004 and 2005 and similar conditions are anticipated for 2006.

During 2006 Flambeau intends to continue to be prepared to provide supplementary water to Wetland 1 on an as needed basis if dryer conditions are associated with mining impacts. The diversion of Flambeau River water to Wetland 1 will be in accordance with the Department approval date May 5, 1998.

7.3 Flood Control Dike

During Fall 1998, the outer slope of the flood control dike was reinforced with fractured rock and topsoil applied over the rock. No activity is anticipated to occur in this area during 2006.

7.4 South Watershed Drainage Channel (Formerly Outfall 002)

During 1999, the South Watershed Drainage Channel (SWDC) was reinforced with boulders. The SWDC will be routinely inspected during 2006; however, no activity during 2006 is expected.

8 Industrial Outlot

8.1 Equestrian Trailhead and Trailspur

During 2005, Flambeau partnered with the City of Ladysmith and Flambeau Riders, Inc. to establish non-motorized trails south of the Industrial Outlot (off the mine site) and construct an equestrian trail head north of the reclaimed rail spur within the Industrial Outlot.

The initial seeding along the trailhead access road immediately following construction was with the nurse crop to be followed with a Spring 2006 seeding of native plant species. The seed mix specified in Attachment 3 of Flambeau's submittal dated May 28, 2004 (Reclamation Plan for Railroad Spur Areas) will be used in disturbed areas adjacent to the access road. The seeding rate for this native seed mix will be 10 pounds per acre. In addition, annual rye as a nurse crop will be seeded at eight pounds per acre. Straw mulching methods and application rates will be consistent with past revegetation practices.

Flambeau will seek opportunities with local schools and youth groups to further augment the native plant species within the "green space" of the Industrial Outlot, especially along the trail spur for aesthetics and improved biodiversity. In spite of the original Industrial Outlot seed mix being composed of two native grass species and two native forb species, ecological monitoring during 2004 along and surrounding quadrat P393 indicates 29 species of native plants are present. Native plant species account for 66 percent of all plant species in the area of P393.

In conjunction with the Flambeau Riders, Inc., City of Ladysmith and the Department's Ladysmith Service Center native woody species will be selected and planted to serve as visual screens between the trailhead access road and the Service Center's parking lot and between the equestrian trailhead/trailspur and the Service Center buildings.

8.2 Industrial Outlot Action Plan

In accordance with Flambeau's Industrial Outlot Action Plan (November 22 and December 2, 2005), the gravel areas of the Industrial Outlot will be excavated to a minimum of four inches, limestone fill underlain with geotextile and select areas of asphalt installed. Detailed plans are being developed and will be provided to the Department prior to initiating the Action Plan. The Action Plan will be implemented as feasible based upon Spring 2006 ground conditions. Water quality monitoring will be conducted to assess the effectiveness of the Action Plan.

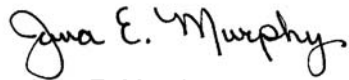
9 Conclusion

Since the Notice of Completion (2001), Flambeau has met standards for vegetative performance as reported in the Annual Reclamation Reports. During 2006, the reclamation activities on the Flambeau Mine site and the 32-acre Industrial Outlot will be consistent with approved methods. The highly stable nature of the reclaimed mine site will require minimal maintenance. Flambeau will keep the Department advised of schedules and expected start dates for activities.

Mr. Lawrence J. Lynch
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January 31, 2006

If you have any questions or comments at this time, please contact me at 715-532-6690 Ext. 2 or murphyj@kenecott.com.

Sincerely,



Jana E. Murphy
Environmental & Reclamation Manager

cc: Al Christianson, City of Ladysmith
Fred Fox, Kennecott Minerals Company
Hank Handzel, DeWitt, Ross & Stevens
Jim Hutchison, Foth & Van Dyke
Ken Markart, WDNR
Randy Tatur, Rusk Co.
Tom Portle, WDNR
Tom Riegel, Town of Grant
Bill Stoll, Applied Ecological Services
Mark Steward, Rusk Co. Zoning

Flambeau Mining Company
N4100 Hwy 27
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715-532-6690
715-532-6885 (Fax)

November 8, 2006



Mr. Phil Fauble
Bureau of Solid & Hazardous Waste Management
101 South Webster Street, GEF II
Madison, WI 53707

Dear Mr. Fauble:

RE: Flambeau Mining Company – Mid-Summer Progress Report, 2006

Flambeau Mining Company (Flambeau) is submitting the Mid-Summer Progress Report concerning the reclamation activities on the reclaimed Flambeau Mine pursuant to Part 3, Condition 26.(c) of the Mining Permit (Docket IH-89-14, January 14, 1991).

A list of anticipated reclamation activities was submitted to the Wisconsin Department of Natural Resources (Department) dated January 31, 2006. This Mid-Summer Progress Report will discuss the status of items described in the January 31 submittal and additional reclamation activities through August 2006.

1 Supply Procurement

1.1 Seeds & Plants

No seeding or planting was or completed during 2006 on the 150-acre portion of the reclaimed mine site. Flambeau completed the planting plan from 1998 through 2001.

1.2 Erosion Control Supplies

Procurement of erosion control supplies for the reclaimed mine site did not occur through August 2006 as they were not necessary. Erosion control supplies such as straw bales and silt fence are stored on site. The site's soils continue to remain in a stable condition due to thriving vegetation and previously installed erosion control measures. Erosion control supplies for the Industrial Outlot are discussed in Section 8 of this submittal.

2 Erosion Control

The reclaimed mine site did not require any reinforcement of existing erosion control due to the highly stabilized condition of the site's soils. Routine inspections following snowmelt runoff and significant precipitation events were performed to assess the site's continued stability. Significant precipitation events were limited due to the regional drought. Erosion control within the Industrial Outlot is discussed in Section 8 of this submittal.

3 Onsite Vegetation Activities

There were no vegetation activities through August 2006 on the reclaimed Flambeau Mine. Active revegetation activities were completed from 1998 through 2001.

3.1 Seedbed Preparation

During 2006 seedbed preparation was not necessary on the Reclaimed Flambeau Mine.

3.2 Seeding

There were no seeding activities during 2006 on the Reclaimed Flambeau Mine.

3.3 Planting

No further planting occurred on the former mine site through August 2006. The planting plan was complete in 2001.

3.4 Irrigation

Irrigation of the woodlands was required during 2006 due to low rainfall and an unseasonably hot summer. Flambeau performed irrigation in accordance with the May 5, 1998 Department approval of Flambeau's request to withdraw water from the Flambeau River for use on site for reclamation vegetation. The electrical line serving the irrigation pump was removed during May 2001 in accordance with the July 30, 1998 conditional approval of the Flambeau Mining Permit modification. As during 2001-2003 and 2005, the irrigation pump was operated using a portable generator.

4 Water Management

During 2006, routine inspections of the reclaimed mine site during and following significant precipitation events occurred throughout spring and summer. During 2006 significant precipitation events were limited due to the regional drought. The site remained highly stabilized and withstood stormwater runoff events through August 2006. Water management consists of utilizing the constructed wetlands and biofilters as they were designed.

5 Maintenance

Maintenance of the reclaimed mine site through August 2006 included mowing, burning and removing invasive plant species.

Mowing was performed to maintain walking trails. Firebreaks were also maintained by mowing.

A Burn Plan was submitted to the Department dated April 27, 2006. On May 2 – 3, 2006, the seventh year burn was conducted on the southern one-third of the site. Applied Ecological Services (AES) personnel performed the prescribed burn in accordance with the Burn Plan.

Site maintenance also included ongoing removal by hand pulling of invasive species such as spotted knapweed. Herbicide treatment of reed canary grass was completed on June 12-13, 2006.

6 Monitoring

Monitoring of the site was performed in accordance with the Surface Reclamation Ecological Monitoring Program (12/98). AES conducted monitoring for vegetation diversity and bird and butterfly surveys during Spring 2006. Monitoring for vegetation diversity, cover, biomass, survivorship of woody plants, woody belted transects and butterflies was conducted by AES in late Summer 2006. Monitoring results will be provided in the 2006 Annual Reclamation Report.

6.1 Grazing Enclosures

Grazing enclosures were installed concurrent with decommission of the perimeter fence during Spring 2001. The grazing enclosure was installed to include representative areas of both woodland planting zones (I & J) to allow monitoring woodland plantings in the absence of deer browsing damage.

Herbivore impact continues to be observed in the woodlands outside the grazing enclosure.

6.2 Habitat Evaluation Procedure (HEP)

The 2000, 2001 and 2002 HEPs for Savanna sparrow, Great crested flycatcher and Tree swallow were completed and submitted to the Department during 2002. Using data collected during 2003, the fourth and final HEP was updated and submitted during Fall 2004.

6.3 Terrestrial Ecology

In accordance with Section 3.1.6 of the Updated Monitoring Plan (July 1991), aerial and color infrared photography has been completed in the late summer for four consecutive years following completion of closure and is to continue every five years thereafter throughout the long-term care and maintenance period to monitor success of revegetation. With the submittal of Flambeau's Notice of Completion in September 2001, 2005 was the fourth year of the required four consecutive years for aerial and color infrared photography. Aerial and color infrared photography was completed on August 3, 2006 for a fifth additional year.

7 Project Area Activities (Outside Mine Site)

7.1 Buffer Screen

As anticipated in the January 31, 2006 submittal, no activities were necessary within the buffer screen.

7.2 Wetland 1

Wetland 1 located west of the mine site and within the project area is routinely inspected. Wetland 1 continues to exhibit wetland characteristics and the improved hydrology continues due to re-establishment of groundwater seeps.

During 2006, Flambeau remained prepared to provide supplementary water to Wetland 1, however, routine inspection of the wetland indicated that water was supplied through groundwater seeps. Drier wetland conditions during the 2005 and 2006 summer were associated with the regional drought. Wetland 1 water levels were measured at Staff Gauge 5 in accordance with the monitoring plan. Aerial and color infrared photography taken on August 3, 2006 provides documentation of the vegetative condition of Wetland 1.

7.3 Flood Control Dike

During 2006 no further stabilization was needed or performed on the outer slope of the flood control dike.

7.4 South Watershed Drainage Channel (Formerly Outfall 002)

The South Watershed Drainage Channel remains in a stable condition.

8 Copper Park Business & Recreation Area (formerly known as Industrial Outlot)

The 32-acre industrial outlot includes the former mine administration building, the former water treatment plant with process equipment removed and the rail spur. During 2006 the Flambeau Mine Community Advisory Group agreed to name the area the Copper Park Business & Recreation Area (Copper Park). For a nominal fee Flambeau leases Copper Park to the Ladysmith Community Industrial Development Corporation (LCIDC). The LCIDC continues to sublease the buildings in the industrial outlot to the Wisconsin Department of Natural Resources and Xcel Energy.

During 2003, the LCIDC made an appeal to the Department for the retention of the rail spur located east of Highway 27 as part of the communities' on-going efforts to increase industrial development. In a letter dated June 12, 2003, the Department stated that it "...is satisfied that the portion of the rail spur east of the highway is being used for alternate purposes. Therefore, the rail spur east of Highway 27 will not need to be removed and revegetated..." The LCIDC made the commitment to remove approximately 200 feet of the rail spur east of highway 27.

In a letter dated December 30, 2004, Flambeau provided notice of the acceptable alternative uses implemented within what was known as the Industrial Outlot at that time and also the proposed use of the unused northern portion of the outlot.

The Department responded in a letter dated February 18, 2005 that the only portion of the industrial outlot for which an acceptable alternate use had not been designated was the section lying north of the railspur in the area of the former Type II waste rock stockpile. The Department did conceptually agree with the proposed use of the area as an equestrian trailhead which is discussed further in Section 8.2.

8.1 Rail Spur Reclamation

During Fall 2003 the rail and ties in the rail spur areas west of Highway 27 and approximately 200 feet east of Highway 27 were removed. The west rail spur area was excavated to a depth of two feet and materials disposed in an off site licensed waste management facility. During Spring 2004 the fractured rock ballast was removed from the 200 foot section of the east rail spur area and the materials accepted at an off site gravel quarry to be commingled and reused for off site construction projects.

During Spring 2004 the excavated rail spur areas were covered with topsoil and seeded with native forbs and grasses creating greenspace within the Copper Park Business & Recreation Area.

Further detail on rail spur reclamation is provided in the 2003 and 2004 Annual Reclamation Reports.

8.2 Copper Park Equestrian Trailhead

In the December 30, 2004 letter discussed in Section 8, Flambeau presented to the Department the partnership developed with the local communities to expand trails and construct an equestrian trailhead within the unused portion of the industrial outlot north of the reclaimed west rail spur area.

The Department conceptually found the proposed use as an equestrian trail head acceptable, but required further details to review and approve the proposed construction plans.

In March and July 2005 submittals, Flambeau provided to the Department further detail regarding the development of the equestrian trailhead within Copper Park and trails on property located south of Copper Park. The Department provided approval subject to provisions for the construction of the equestrian trailhead in a letter dated July 28, 2005.

The construction of the equestrian trailhead initiated mid-August 2005 and was complete within one month. The grand opening of the Copper Park Equestrian Trails and Trailhead took place on September 10, 2005.

During early May and June 2006 landscaping was installed to separate the Ladysmith DNR Service Center parking lot from the equestrian trailhead access road. Landscaping included raised bed planters separated by split rail fencing. Native forbs and grasses were procured from Prairie Nursery, Westfield, WI and the Deertail 4-H Wildflower Youth Group installed the plant stock in the raised beds. In addition, between the planters and under the fencing, fractured limestone underlain by was installed.

The Flambeau High School greenhouse raised native plant species including Big Bluestem, Indiangrass, New England Aster, Lance Leaf Coreopsis, and Purple Prairie Clover. The native seedlings were installed along the access road leading to the equestrian trailhead.

8.3 Surface Water Monitoring

The Flambeau Mine remains committed to the protection of water quality in the Flambeau River. Since final reclamation in 1999, Flambeau has continued its monitoring of water quality in the Flambeau River as well as surface runoff into the Flambeau River. This monitoring indicates that the water quality of the Flambeau River remains fully protected.

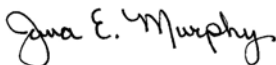
Results of monitoring stormwater from Copper Park had indicated that increased copper concentrations were effectively being removed in the biofilter serving as part of the Best Management Practices for the Copper Park Business & Recreation Area. However, to minimize the loading of copper to the biofilter, Flambeau proposed to the Department a workplan to excavate a minimum of four inches of gravel from around the Copper Park buildings, fill with crushed limestone to grade, and asphalt the area. The area to be excavated had been driven over by vehicles used during the mining of the Flambeau orebody. The workplan detail was provided to the Department in documents dated November 22 and December 2, 2005. The Department provided a December 2, 2005 letter stating that the plan was generally acceptable. Flambeau provided further detail to the Department in a document dated May 2, 2006 and the Department provided approval letter recommendations dated May 4, 2006.

Foth & Van Dyke oversaw the design and implementation of the workplan. The workplan was implemented starting May 18, 2006 and complete by June 21, 2006.

9 Conclusion

The 2006 Mid-Summer Progress Report on reclamation of the Flambeau Mine provides a brief overview of activities that occurred through August 2006. Throughout the reclamation process, Flambeau has provided routine updates to the Department either verbally or by email. Further detail and complete reports will be provided in the 2006 Annual Reclamation Report to be submitted November 15, 2006.

Sincerely,



Jana E. Murphy
Environmental & Reclamation Manager

Mr. Phil Fauble
Page 6
November 8, 2006

cc: Al Christianson, City of Ladysmith
Fred Fox, Kennecott Minerals
Hank Handzel, DeWitt, Ross & Stevens
Jim Hutchison, Foth & Van Dyke
Terry Koehn, WDNR
Tom Portle, WDNR
Tom Riegel, Town of Grant
Mark Steward, Rusk Co. Zoning
Bill Stoll, Applied Ecological Services
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