NorthMet Project

Wetland Analysis Work Plan

Version 3

October 13, 2011

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1. Project

This document is the Work Plan for wetland analysis for the NorthMet Project (Project) as specified in Wetland Resources IAP Final Summary Memo and Co-lead Agency Final Work Plan Preparation Guidance of July 1, 2011 (Guidance Document) and the Wetland IAP Work Plan Compiled Comments dated August 30, 2011.

The project that will be modeled is the project described in the Co-lead Agency Draft Alternative Summary as amended in September, 2011. The Project Footprint that will be used for this analysis has been defined and detailed in the NorthMet Project Project Description (Reference 1).

2. Background

Wetland impacts for the Project were previously evaluated for the DEIS and included direct, potential indirect, and cumulative impacts. Using the wetland types and acreages identified in the report entitled: *NorthMet Project Baseline Wetland Typing Evaluation* (Barr 2011), direct, potential indirect, and cumulative impacts will be evaluated as described in the following sections. The results of the wetland analysis in this Work Plan will be presented in the Wetland Data Package.

3. Direct Wetland Impacts

Direct wetland impacts will result from filling and excavation. The analysis performed for the SDEIS will duplicate the analysis performed for the DEIS (Section 4.2 of Reference 2) using the current Project Footprint described in Reference 1.

Wetlands within the Project Footprint will be identified using the Eggers and Reed (1997) community classification system. The wetland types and acreages for each wetland were identified in the report entitled: *NorthMet Project Baseline Wetland Typing Evaluation* (Barr 2011), which was discussed with the Wetland IAP Workgroup and approved by the Co-lead Agencies on March 30, 2011.

The analysis output for the direct wetland impact will include:

1. A summary table will provide information for each wetland within the Project Footprint and include:
    a. The wetland type, wetland acreage, and direct impact will be calculated using GIS.
    b. The type of direct impact (fill, excavation, etc.) will be identified.
    c. The quality of each wetland will be identified.
2. For each Eggers and Reed (1997) wetland type, a summary table will provide the total acreage and total acres of direct impact for the following Project Areas - Mine Site, railroad corridor, Dunka Road and utility corridor, Plant Site, Flotation Tailings Basin, Hydrometallurgical Residue Facility, and the Colby Lake water pipeline corridor.
    a. Figures for each of the Project Areas will be created that show the areas with direct wetland impacts.
3. The total direct wetland impact acreage for the Project Footprint will be provided.

4. Potential Indirect Wetland Impacts

The analysis of potential indirect wetland impacts will be completed using the Guidance Document. The purpose of this analysis is to provide an estimate of potential indirect wetland impacts.

Potential indirect wetland impacts will be assessed based on: changes in wetland watershed areas (during operation and post-closure); groundwater drawdown resulting from open pit mine dewatering; groundwater mounding/drawdown resulting from operation of the Flotation Tailings Basin including groundwater seepage interception wells; changes in stream flow near the Mine Site and Flotation Tailings

Basin and associated impacts to wetlands abutting the streams (during operation and post-closure); wetland fragmentation from Project elements such as open pits, stockpiles, haul roads, etc.; and changes in wetland water quality. If/when the Project is permitted, an indirect wetland impact monitoring plan will be implemented as part of the Section 404 permit conditions.

The analysis will be completed for the Mine Site, the Flotation Tailings Basin, and the transportation corridors (railroad and Dunka Road).

4.1 Mine Site

4.1.1 Wetland Identification

Wetlands within the Mine Site will be identified using the Eggers and Reed (1997) community classification system. The wetland types and acreages for Area One (which includes the Mine Site) were identified in the report entitled: *NorthMet Project Baseline Wetland Typing Evaluation* (Barr 2011), which was discussed with the Wetland IAP Workgroup and approved by the Co-lead Agencies on March 30, 2011.

Wetland acreage by wetland type will be calculated using GIS within 500-foot radius increments beginning at the mine pits and continuing out to a total radius of 10,000 feet (for a total of 20 increments). The area of evaluation will only include wetlands within Area One where wetland type information has been developed and it will not include wetlands identified as directly impacted in Section 3.0. In addition, wetlands in the Peter Mitchell open pit taconite mine and areas north of this mine will be excluded from evaluation as described in the Guidance Document.

1. A detailed table will be provided for each increment identifying the wetland type and acreage for each wetland.
2. A summary table will be provided for each increment identifying the total acreage and total acres of direct impact for each Eggers and Reed (1997) wetland type.
3. For each wetland that will be directly impacted, the acreage for the portion of the remaining wetland will be calculated and included in a table.
4. A figure will be provided showing the increments and identifying the Eggers and Reed (1997) wetland types within each increment.

4.1.2 Potential Indirect Wetland Impacts Resulting from a Change in Watershed Area

For each wetland that will not be directly impacted by fill or excavation, but will have Project elements impacting its watershed, an estimate of the change in watershed area (acreage and percent gain or loss) will be calculated.

The change (acreage and percent gain or loss) in watershed areas and the wetland area found within each watershed will be identified for the following conditions: pre-Project, during operation when the maximum amount of watershed has been removed, and at closure.

An estimate of potential indirect wetland impacts (wetland acres by wetland type and type of indirect impact) will be calculated for non-directly impacted wetlands that will have changed watershed areas (during operation and post-closure) for each watershed that was identified as changed in the previous paragraph, using the following steps:

1. Determine the tributary acres per wetland acre for the pre-Project, during operation, and after closure conditions.
2. Determine the equivalent watershed yield (ac-ft/yr) for the pre-Project, during operation, and after closure conditions. The existing watershed yield will be calculated based on available gage data from Section 4.4.1 of Reference 3. This rate would be applied to each watershed to

convert the tributary ratio in Step 1 to an equivalent yield (or equivalent average contributing net precipitation), expressed as acre-feet/year (ac-ft/yr) per acre of wetland.

3. The range in the equivalent yield (inches/year) estimated over the life of the Project will be evaluated relative to pre-Project yield to calculate a maximum percent change in yield. The estimated relative change in yield will be evaluated on a case-by-case basis, taking into account factors such as wetland type, to determine the potential for indirect impacts (e.g., groundwater fed wetlands may be less susceptible to changes in surface watershed).

4.1.3 Potential Indirect Wetland Impacts Resulting from Wetland Fragmentation

For remaining wetlands not directly impacted or indirectly impacted by watershed area changes, an estimate of potential indirect wetland impacts (wetland acres by wetland type, and type of impact) from wetland fragmentation by Project features (open pits, stockpiles, haul roads, etc) will be determined, using the following steps:.

1. For each portion of a remaining wetland, excluding indirect impacts from watershed changes, the potential area of indirect impacts will be determined based on an analysis of the various factors that may contribute to potential fragmentation. Based on this analysis, the identifying factor(s) contributing to potential fragmentation (change in size of wetland, surrounded by Project features, change in function and values of wetland e.g. wildlife habitat, etc.) will be identified. [Note: noise and dust do not cause fragmentation impacts according to the U.S. Army Corps of Engineers, May 16, 2011 conference call.]

4.1.4 Potential Indirect Wetland Impacts Resulting from Changes in Hydrology

An estimate of potential indirect wetland impacts (wetland acres by wetland type, and type of indirect impact) due to groundwater drawdown from open pit mine dewatering, based on the Co-lead Agency guidance for estimating potential indirect wetland impacts from groundwater drawdown near open pit mines as provided on July 1, 2011 will be determined, using the following steps.

1. Use the information provided by the Groundwater IAP Group and other available and relevant hydrogeologic data to justify whether to use or modify the provided analogue information which is based upon comparisons of the existing regional and site specific geologic data (such as bedrock faults, bedrock joint systems, bedrock topography, glacial till hydraulic conductivities, etc.), site specific engineering controls such as the Category 1 Waste Rock Stockpile seepage containment system, and the geologic settings of the analogue information sites and the Mine Site.
2. Use the guidelines provided by the Corps Memorandum (CEMVP-OP-R) Distinguishing Between Bogs That Are Entirely Precipitation Driven Versus Those with Some Degree of Mineral Inputs from Groundwater and/or Surface Water Runoff to identify minerotrophic and ombrotrophic coniferous and open bogs.

The potential indirect wetland impact from glacial aquifer drawdown will be based on the analogue impact zone with the greater potential drawdown (zone closer to the open pit mine) for wetlands that lie on both sides of the analogue distance boundary. The analogue distances are described below in steps 1, 2, 3 and 4.

1. For all wetlands, provide a table and figure identifying type and acreage of wetlands located within 0 feet to 1,000 feet from the pit edge. The table will also identify the type of indirect wetland impact for each indirectly impacted wetland. Identify the likelihood of wetland hydrology impact based on wetland type.
    a. High Likelihood – includes coniferous swamp, hardwood swamp, sedge/wet meadow, shrub-carr, and alder thicket

   b. Moderate Likelihood – deep marsh, shallow marsh, and shallow open water
   c. Low Likelihood – minerotrophic coniferous bog and open bog
   d. No Impact anticipated as identified in Guidance Document – ombrotrophic coniferous bog and open bog

2. For all wetlands, provide a table and figure identifying type and acreage of wetlands located within >1,000 feet to 2,000 feet from the pit edge. The table will also identify the type of indirect wetland impact for each indirectly impacted wetland. Identify the likelihood of wetland hydrology impact based on wetland type.
   a. Moderate Likelihood – coniferous swamps, hardwood swamps, sedge/wet meadow, shrub-carr, and alder thicket
   b. Low Likelihood – deep marsh; shallow marsh, and shallow open water
   c. No Impact anticipated as identified in Guidance Document – minerotrophic and ombrotrophic coniferous bog and open bog

3. For all wetlands, provide a table and figure identifying type and acreage of wetlands located within >2,000 feet to 3,500 feet from the pit edge. The table will also identify the type of indirect wetland impact for each indirectly impacted wetland. Identify the likelihood of wetland hydrology impact based on wetland type.
   a. Low Likelihood – coniferous swamp, hardwood swamp, sedge/wet meadow, shrub-carr, alder thicket
   b. No Impact anticipated as identified in Guidance Document – deep marsh, shallow marsh, shallow open water, coniferous bog, open bog

4. For all wetlands, provide a table and figure identifying type and acreage of wetlands located within >3,500 feet to 10,000 feet from the pit edge (within the wetland evaluation area). The table will also identify the type of indirect wetland impact for each indirectly impacted wetland.
   a. No Impact anticipated as identified in Guidance Document – all wetland types

A general discussion will be provided regarding the potential indirect wetland hydrology drawdown impacts to each wetland type based on the wetland sensitivity class tables for falling groundwater tables found in the Crandon mine project document titled *Wetland Impact Assessment Technical Memorandum – Appendix B* (Peterson Environmental Consulting, Inc. 2002).

1. A qualitative discussion of the types of potential indirect wetland impacts that might occur will be provided based on hypothetical hydrologic drawdown levels. Potential indirect wetland impacts might include: conversion to other wetland community types, a change in vegetation without a change in community type, conversion to uplands, or other impacts, which will be categorized using the Eggers and Reed (1997) wetland classification system.

4.1.5 Potential Indirect Wetland Impacts for Wetlands Abutting the Partridge River

Estimate of potential indirect wetland impacts (wetland acres by wetland type, and type of impact) for wetlands abutting the Partridge River as a result of changes in river flow resulting from the Project (during operation and post-closure), using the following steps.

1. Identify in GIS the wetlands abutting the Partridge River within Area One. A table will identify the wetland ID, type and acreage for each wetland (only within the area previously characterized for wetlands).

2. Provide the change in flow and water levels in the Partridge River using the model developed in Section 5.6 of Reference 3.
3. Identify whether the changes in flow (and therefore stage) resulting from the Project are within the observed natural variation for the Partridge River (Section 4.4.1 of Reference 3).
4. If the changes in flow and water levels are not within the observed natural variation for the Partridge River, identify the potential indirect impacts for the wetlands abutting the Partridge River.

4.1.6 Potential Indirect Wetland Impacts Resulting from Water Quality Changes

An estimate of potential indirect wetland impacts (wetland acres by wetland type, and type of impact) for remaining wetlands not directly impacted or indirectly impacted by previously evaluated causes in Sections 4.1.2 through 4.1.5 that would be impacted by water quality changes (such as from sulfide-bearing dust deposition, ore spillage, seepage from stockpiles, etc.) will be completed using the following steps:

1. Fugitive Dust Emissions
    a. The air emissions from all surface fugitive dust sources at the Mine Site will be modeled using an EPA approved air dispersion model with a deposition algorithm (AERMOD version 11103). This is the same model that has been proposed to be used for assessing air impacts in Class II areas in the draft NorthMet Air Modeling Work Plan (version 1, May 9, 2011) which was developed in response to the Air Impacts Assessment Planning Summary Memo dated May 6, 2011. Comments have been received on this draft Work Plan, with no objections to the proposed model, so this model is expected to be specified in the final Work Plan. Emission rates and particle size distributions will be based on total particulate matter. Receptors will be placed on all delineated wetlands within the Project ambient air boundaries that have not been identified as directly impacted. The receptor grid will also initially extend 5 kilometers beyond the ambient air boundaries with a grid spacing of 500 meters. The receptor grid may be adjusted based on preliminary modeling results. Other modeling details would generally follow those specified in the Class II modeling protocols for the Mine Site as defined by the Air IAP and/or generally excepted modeling practice.
    b. The modeled dust sources at the Mine Site will include ore and waste rock truck loading and unloading outside of the pits, railcar loading, dust generation from traffic on unpaved roads on the surface (i.e. not in the pits), and overburden and other construction rock screening and/or crushing as defined by the Air IAP.
    c. Rock handling and roads within the pits will not be included in the analysis because: a) "pit-trapping" would greatly reduce the potential for dust to impact areas outside of the pits and b) Barr's past experience which indicates that the AERMOD "open pit" algorithm is incompatible with the AERMOD deposition algorithm.
    d. The output of the model will be deposition rate (grams per square meter) on an annual basis. The model results will be compared to background values such that contours where the modeled deposition is small relative to the background value can be developed. This can be considered a conservative assessment of how far away potential impacts to wetlands from dust may occur from fugitive dust sources. This should be considered a screening level analysis such that it would identify an upper bound for the potential range of distances at which impacts might occur, but the results will not identify actual impacts. This range of distances could be used to

estimate the extent of potential indirect impacts to guide development of monitoring plans to document actual indirect impacts. Based on the results of the screening analysis, PolyMet may propose a more refined approach to assess the distance at which potential impacts may occur.

2. Metals and Sulfide Dust Emissions

   a. The potential for sulfur deposition was evaluated for the DEIS Mine Plan in Screening Analysis of the Potential for Fugitive Dust Emissions Associated with Sulfide Rock Handling at the NorthMet Project Mine Site to Increase Sulfur Deposition to Nearby Wetlands (Barr, January 28, 2010). This analysis included dust emissions from the handling of Category 2, 3, and 4 waste rock and ore. Lean ore handling emissions were also modeled, but lean ore has been eliminated as a rock classification in the updated Mine Plan.

   b. The handling activities associated with Category 2, 3 and 4 waste rock and ore located outside of the pits will be included in the metals and sulfur analysis for the Mine Site. This includes truck loading and unloading with waste rock and ore and railcar loading with ore. Note: the potential for wind erosion from the stockpiles has been evaluated, and it has been determined that wind erosion would not occur through the use of EPA approved wind erosion calculations procedures in Section 13.2.5 of Reference 4. The calculations are described in the Mine Site Emission Inventory Spreadsheet (Version 2 Submitted August 1, 2011). This spreadsheet references the detailed calculations based on five years of meteorological data provided to MPCA via FTP site on May 9, 2011.

   c. Modeling will be conducted for the included sources in the same manner as described for dust modeling. The dust modeling and metals and sulfide modeling may be conducted in separate model runs or in the same run utilizing the model's source grouping capabilities.

   d. For air dispersion/deposition modeling, the total particulate emission rates (grams per second) will be speciated and converted to metals and sulfur emission rates based on data on the chemical composition of each material generating dust. Metals for evaluation, associated with rock and soils, would be: arsenic, cadmium, chromium, lead, manganese, nickel and selenium.

   e. Mercury will not be evaluated at the Mine Site for dust deposition because the concentration of mercury in the rock to be mined is very low (Sections 5.0 and 5.8 of Reference 3) and not considered to be environmentally significant in this medium.

   f. The model-estimated sulfur and metals deposition rates (grams per square meter) will be compared to background values to determine distance contours beyond which the deposition rate is insignificant compared to background. As with the dust analysis, this would be a screening level evaluation that could be used to identify a range of distances from a source beyond which impacts would be unlikely to occur. This range of distances could be used to estimate the extent of potential indirect wetland impacts to guide development of monitoring plans to document actual indirect impacts. PolyMet may choose to propose a more refined approach depending on the results of the screening level analysis. A more refined approach could take into account such factors as the potential for metals and/or sulfur to be liberated from the rock particles depending on the rock chemistry, environmental chemistry and general conditions in the ecosystem where the deposition is predicted to occur.

3. Ore spillage – see the Section 4.3.2.

4. Leakage from stockpile will be evaluated using the following steps:
    a. Quantify the amount of stockpile leakage water that discharges to surface water and wetlands, down gradient of the stockpiles based on the results of the water quality modeling.
    b. Identify the wetlands (type, acreage) within the surficial aquifer groundwater flowpaths from mine features using boundaries used in the water quality modeling (as shown in the Groundwater IAP Summary document).
    c. Categorize the wetlands within the flowpaths in Step ii into groundwater-fed and precipitation-fed wetlands using guidance from the Corps "Bog Memo" and evaluate the potential for indirect impacts based on potential water quality changes from the mine features.

4.1.7 Potential Indirect Wetland Impacts to Wildlife Utilization of Nearby Habitats From Project Noise

Provide a general discussion regarding the potential indirect wetland impact to wildlife utilization of nearby habitats from project noise using the following steps:

1. Identify the potential sources of project noise and the range of emitted noise levels.
2. Identify wildlife species that are found within the area, as well as their preferred habitats using wildlife surveys previously conducted for the NorthMet Project (Section 4.4 of Reference 2).
3. Qualitatively discuss the potential impacts and possible short- and long-term reactions of wildlife species to the potential project noise levels.

4.2 Flotation Tailings Basin

4.2.1 Wetland Identification

Wetlands around the Flotation Tailings Basin will be identified using the Eggers and Reed (1997) community classification system. The wetland types and acreages for Area Two (which includes the Flotation Tailings Basin) were identified in the report entitled: *NorthMet Project Baseline Wetland Typing Evaluation* (Barr 2011), which was discussed with the Wetland IAP Workgroup and approved by the Co-lead Agencies on March 30, 2011.

Wetland acreage by wetland type will be calculated using GIS within 500-foot radius increments beginning at the Flotation Tailings Basin and continuing out to the Embarrass River. The area of evaluation will only include wetlands within Area Two where wetland type information has been developed and it will not include wetlands identified as directly impacted in Section 3.0.

1. A detailed table will be provided for each increment identifying the wetland type and acreage for each wetland.
2. A summary table will be provided for each increment identifying the total acreage and total acres of direct impact for each Eggers and Reed (1997) wetland type.
3. For each wetland that will be directly impacted, the acreage for the portion of the remaining wetland will be calculated and included in a table.
4. A figure will be provided showing the increments and identifying the Eggers and Reed (1997) wetland types within each increment.

4.2.2 Potential Indirect Wetland Impacts Resulting from Changes in Hydrology

An estimate of potential indirect wetland impacts (wetland acres by wetland type, and type of impact) from hydrologic changes (groundwater upwelling and resulting surface water flow in wetlands and/or groundwater drawdown near the groundwater seepage interception wells) resulting from groundwater seepage and/or interception well pumping will be determined.

1. Quantify the amount of Flotation Tailings Basin groundwater seepage water that discharges to surface water features, including wetlands, down gradient of the Flotation Tailings Basin. A MODFLOW model developed for the Flotation Tailings Basin will be used in conjunction with a GoldSim probabilistic model to estimate the quantity of seepage that discharges to surface water features.
2. Identify all the wetlands (type, acreage) within the surficial aquifer groundwater flowpaths downgradient of the Flotation Tailings Basin using boundaries used in the water quality modeling (as shown in the Groundwater IAP Summary document).
3. Using the wetlands identified in step 2, categorize the wetlands into groundwater-fed and precipitation-fed wetlands using guidance in the Corps Memorandum (CEMVP-OP-R) *Distinguishing Between Bogs That Are Entirely Precipitation Driven Versus Those with Some Degree of Mineral Inputs from Groundwater and/or Surface Water Runoff* and evaluate the potential for indirect impacts resulting from groundwater seepage and/or interception well pumping.

Provide a general discussion regarding the potential indirect wetland hydrology impacts to each wetland type based on the wetland sensitivity class tables for rising groundwater tables found in the Crandon mine project document titled *Wetland Impact Assessment Technical Memorandum – Appendix B* (Peterson Environmental Consulting, Inc. 2002).

1. A qualitative discussion of the types of potential indirect wetland impacts that might occur will be provided based on hypothetical hydrologic drawdown or surchage levels. Potential indirect wetland impacts might include: conversion to other wetland community types, a change in vegetation without a change in community type, conversion to uplands, or other impacts, which will be categorized using the Eggers and Reed (1997) wetland classification system.

4.2.3 Potential Indirect Wetland Impacts for Wetlands Abutting Trimble Creek and the Two Unnamed Creeks

An estimate of potential indirect wetland impacts (wetland acres by wetland type) in wetlands abutting the three streams north and west of the Flotation Tailings Basin (Trimble Creek and the two unnamed creeks as shown in Figure 3 of the Water Resources IAP – Surface Water Summary Memo) as a result of changes in stream flow resulting from operation of the Flotation Tailings Basin will be determined using the following steps:

1. Identify in GIS the wetlands abutting the west Unnamed Creek (Mud Lake Creek), Trimble Creek, and the east Unnamed Creek within Area Two. A table will identify the wetland ID, type and acreage for each wetland (only within the area previously characterized for wetlands).
2. Provide the change in flow in the three streams using the GoldSim probabilistic model developed in Reference 6 and the method described in Section 4.4 of Reference 2. Estimate a corresponding change in stage based on available rating curves or simple hydraulic equations (e.g. Manning's equation).

3. Identify whether the changes in flow (and by extension, stage) are within the estimated natural variation for the three streams based on observed data or unit-area relationships extrapolated from gage data (Section 4.4.1 of Reference 5 and Page 3 of Reference 6).
4. If the changes in flow and water levels are not within the observed natural variation for the three streams, identify the potential indirect impacts for the wetlands abutting the three streams.

4.2.4 Potential Indirect Wetland Impacts Resulting from Water Quality Changes

An estimate of potential indirect wetland impacts (wetland acres by wetland type, and type of impact) for wetlands that would be impacted by water quality changes (such as from sulfide-bearing dust deposition from the Flotation Tailings Basin, Flotation Tailings Basin groundwater seepage, etc.) will be completed using the following steps:

1. Fugitive Dust Emissions
    a. The air emissions from all surface fugitive dust sources at the Flotation Tailings Basin site will be modeled using an EPA approved air dispersion model with a deposition algorithm (AERMOD version 11103). This is the same model that has been proposed to be used for assessing air impacts in Class II areas in the draft NorthMet Air Modeling Work Plan (version 1, May 9, 2011) which was developed in response to the Air Impacts Assessment Planning Summary Memo dated May 6, 2011. Comments have been received on this draft Work Plan, with no objections to the proposed model, so this model is expected to be specified in the final Work Plan. Emission rates and particle size distributions will be based on total particulate matter. Receptors will be placed on all delineated wetlands within the Project ambient air boundaries that have not been identified as directly impacted. The receptor grid will also initially extend 5 kilometers beyond the ambient air boundaries with a grid spacing of 500 meters. The receptor grid may be adjusted based on preliminary modeling results. Other modeling details would generally follow those specified in the Class II modeling protocols for the Plant Site as defined by the Air IAP and/or generally excepted modeling practice.
    b. The modeled dust sources at the Flotation Tailings Basin will include LTV Steel Mining Company (LTVSMC) tailings loading and unloading, unpaved road traffic, and wind erosion from dams constructed of LTVSMC tailings and beaches composed of NorthMet tailings.
    c. The output of the model will be deposition rate (grams per square meter) on an annual basis. The model results will be compared to background values such that contours where the modeled deposition is small relative to the background value can be developed. This can be considered a conservative assessment of how far away potential impacts to wetlands from dust may occur from fugitive dust sources. This should be considered a screening level analysis such that it would identify an upper bound for the potential range of distances at which impacts might occur, but the results will not identify actual impacts. This range of distances could be used to estimate the extent of potential indirect impacts to guide development of monitoring plans to document actual indirect impacts. Based on the results of the screening analysis, if model-estimated particle deposition is equal to current background deposition (i.e., 100 percent of current background; i.e., a potential doubling of deposition), PolyMet may propose a more refined approach to assess the distance at which potential impacts may occur.
2. Metals and Sulfide Dust Emission

a. At the Flotation Tailings Basin wind erosion from the embankment and beaches as well as truck traffic on roads composed of LTVSMC tailings will be included in the analysis.

b. Modeling will be conducted for the included sources in the same manner as described for dust modeling. The dust modeling and metals and sulfide modeling may be conducted in separate model runs or in the same run utilizing the model's source grouping capabilities.

c. For air dispersion/deposition modeling, the total particulate emission rates (grams per second) will be speciated and converted to metals and sulfur emission rates based on data on the chemical composition of each material generating dust. Proposed metals for evaluation, associated with rock and soils, will include: arsenic, cadmium, chromium, lead, manganese, nickel, and selenium.

d. Because the NorthMet ore is low in mercury, the tailings, which includes roughly 98 percent of the ore, will also be low in mercury, and in fact pilot study data shows that the mercury preferentially goes to the flotation concentrate. The mercury in the tailings is also expected to be strongly bound within the mineral matrix. This is also true of the LTVSMC tailings that will be used to construct the Flotation Tailings Basin dams and that may be present on some road surfaces. Therefore, any mercury present in dust from the Flotation Tailings Basin would not be biologically available and we are not proposing to consider mercury in the deposition analysis at the Flotation Tailings Basin. When metal ores are concentrated and heated, such as in taconite mining or in smelting processes, then mercury becomes a metal of interest for air emissions and deposition. For the Project, potential mercury air emissions from ore processing (i.e., potential emissions from the autoclave) are being evaluated for potential local deposition impacts.

e. The model-estimated sulfur and metals deposition rates (grams per square meter) will be compared to background values to determine distance contours beyond which the deposition rate is insignificant compared to background. As with the dust analysis, this will be a screening level evaluation that could be used to identify a range of distances from a source beyond which impacts would be unlikely to occur. This range of distances could be used to estimate the extent of potential indirect wetland impacts to guide development of monitoring plans to document actual indirect impacts. If model-estimated sulfur or individual metal deposition is equal to current background deposition (i.e., 100% of current background; i.e., a potential doubling of deposition), PolyMet may propose a more refined approach depending on the results of the screening level analysis. A more refined approach could take into account such factors as the potential for metals and/or sulfur to be liberated from the rock particles depending on the rock chemistry, environmental chemistry and general conditions in the ecosystem where the deposition is predicted to occur.

3. Flotation Tailings Basin Groundwater Seepage

   a. Identify the chemistry from the Flotation Tailings Basin groundwater seepage based on the results of the water quality modeling (Reference 6).

   b. Identify the wetlands (type, acreage) within the down gradient zone using boundaries used in the water quality modeling (as shown in the Groundwater IAP Summary document).

   c. Categorize the wetlands within the flowpaths in Step ii into groundwater-fed and precipitation-fed wetlands using guidance from the Corps Memorandum (CEMVP-

OP-R) *Distinguishing Between Bogs That Are Entirely Precipitation Driven Versus Those with Some Degree of Mineral Inputs from Groundwater and/or Surface Water Runoff* and evaluate the potential for indirect impacts based on potential water quality changes from the Flotation Tailings Basin.

4.2.5 Potential Indirect Wetland Impacts to Wildlife Utilization of Nearby Habitats From Project Noise

Provide a general discussion regarding the potential indirect wetland impact to wildlife utilization of nearby habitats from project noise using the following steps:

1. Identify the potential sources of project noise and the range of emitted noise levels.
2. Identify wildlife species that are found within the area, as well as their preferred habitats using wildlife surveys previously conducted for the NorthMet Project (Section 4.4 of Reference 2).
3. Qualitatively discuss the potential impacts and possible short- and long-term reactions of wildlife species to the potential project noise levels.

4.3 Transportation Corridors

4.3.1 Wetland Identification

Wetlands around the Flotation Tailings Basin will be identified using the Eggers and Reed (1997) community classification system. The wetland types and acreages for Area Two (which includes the Flotation Tailings Basin) were identified in the report entitled: *NorthMet Project Baseline Wetland Typing Evaluation* (Barr 2011), which was discussed with the Wetland IAP Workgroup and approved by the Co-lead Agencies on March 30, 2011.

The wetlands abutting the Dunka Road and the railroad corridor within Area One and Area Two will be identified using GIS. The wetland ID, type and acreage for each wetland (only within the area previously characterized for wetlands) will be identified in a table.

4.3.2 Potential Indirect Wetland Impacts Resulting from Water Quality Changes

An estimate of potential indirect wetland impacts (wetland acres by wetland type, and type of impact) for wetlands that will be impacted by water quality changes (such as from sulfide-bearing dust deposition, ore spillage, etc.) will be completed using the following steps:

<u>Mine to Plant Rail</u>

The potential release of dust from railcars transporting ore from the Mine Site to the Plant Site was addressed in the May 6, 2011 Air Impact Assessment Planning Summary Memo, “The air IAP group concluded that there would be minimal air impacts from any dust generated from ore hauled in the railcars due to the coarse nature of the ore. “ Based on this conclusion, air modeling of potential release of dust from railcars will not be performed because the potential wetland impacts will not be significant.

The air IAP group concluded that any dust generated from ore hauled in railcars would be coarse in nature (i.e., relatively large particles). These larger particles would tend to deposit near the railcar and not be dispersed to any great extent. An estimate of the spillage of ore fines along the rail corridor is shown in Section 8.5.3 of Reference 7. Assuming that all spillage of the coarse material would occur in a 2 meter wide strip on both sides of the centerline of the railway (total width = 4 meters) over the entire haul distance after loading (~ 8 miles; ~13,000 meters), results in approximately 0.11 Kg/square meter of ore fines annually or 2.14 Kg/square meter for the 20 year Project. This equates to 0.002 inch of depth annually or 0.05 inches for the 20 year Project.

Using the geochemical modeling methods described in Reference 7 for the Ore Surge Pile, the quality of water infiltrating through this material will be estimated on a per-unit area basis which will also be on a per unit length of the rail corridor. If the water quality is found to have a greater than 10 percent likelihood of exceeding water quality standards as defined in Table 1-3 of Reference 8, the unit area required to provide sufficient precipitation to dilute the water to meet standards will be calculated and converted to a distance to be added to the 2 meters from the centerline of the rail corridor that will be a potential dust impact corridor. Any wetlands identified in the above paragraph of this section that are within the potential dust impact corridor will be considered to be potentially indirectly impacted.

Dunka Road

Loaded mine haul trucks will not travel on the Dunka Road. Empty mine haul trucks will only travel on the Dunka Road when they are in need of maintenance at the Area 1 Shop. It is estimated that each truck will travel to Area 1 twice per year. The total one-way trips per year are estimated at 44. Given the low traffic volumes (< 1 trip per week on average) a quantitative assessment of impacts from ore particle discharge from haul trucks travelling down the Dunka Road is not warranted.

Product Shipping

Products produced in the hydrometallurgical plant (AU/PGM concentrate, mixed hydroxide precipitate) will be loaded into super sacks (i.e. large industrial sacks used to transport solid material) and then loaded onto trucks or railcars. There is little or no potential for spillage with this method of shipping. With respect to flotation concentrate, as stated in the project description (Reference 1) "Each filtered concentrate would be conveyed to separate stockpiles within an enclosed 10,000 ton storage facility for loading into covered rail cars. The storage facility would store about 7 to 10 days of production capacity when flotation concentrate would be directed to Concentrate Dewatering/Storage. The storage facility would have a concrete floor and provisions to wash wheeled equipment leaving the facility to prevent concentrates from being tracked out of the facility." The flotation concentrate is similar material to that which caused issues at the Red Dog Mine in Alaska (zinc concentrate transported in truck trailers), which has been cited as an example of potential consequences of product transport at mining operations. Some issues at Red Dog were driven by road dust and port activities which do not apply to the Project. Best Management Practices adopted at Red Dog - enclosed storage and loading, covered cars, and vehicle wash facilities - are proposed for use at the NorthMet project. Because the common carrier route (i.e. the rail line used to transport products) is not known (ultimate customer not known and could change), there is no way to assess impacts along the common carrier route. PolyMet will be paid on tons received by customers so it has a vested interest in not losing any concentrate. The covered rail cars will be inspected for holes and any holes repaired before concentrate loading.

4.3.3 Potential Indirect Wetland Impacts Resulting from Wetland Fragmentation

For remaining wetlands not directly impacted or identified in 4.3.2, an estimate of potential indirect wetlands (wetland acres by wetland type, and type of indirect impact) from wetland fragmentation by Project features will be completed using the following steps:

1. For each portion of a remaining wetland, excluding indirect impacts identified in 4.2.3, the potential area of indirect impacts would be determined based on an analysis of the various factors that may contribute to potential fragmentation. Based on the analysis, the identifying factor(s) contributing to potential fragmentation (change in size of wetland, surrounded by Project features, change in function and values of wetland e.g. wildlife habitat, etc.) would be identified. [Note: noise and dust do not cause fragmentation impacts according to the U.S. Army Corps of Engineers, May 16, 2011 conference call.]

4.3.4 Potential Indirect Wetland Impacts to Wildlife Utilization of Nearby Habitats From Project Noise

Provide a general discussion regarding the potential indirect wetland impact to wildlife utilization of nearby habitats from project noise using the following steps:

1. Identify the potential sources of project noise and the range of emitted noise levels.
2. Identify wildlife species that are found within the area, as well as their preferred habitats using wildlife surveys previously conducted for the NorthMet Project (Section 4.4 of Reference 2).
3. Qualitatively discuss the potential impacts and possible short- and long-term reactions of wildlife species to the potential project noise levels.

5. Cumulative Wetland Impacts

Analysis of cumulative wetland impacts will be done using accepted tools and protocols. The analysis performed for the DEIS is described and summarized in Section 4.3 of Reference 1. The analysis performed for the SDEIS will generally duplicate that effort using the revised direct and potential indirect wetland impact acreage, along with updated watershed information. The assessment will be conducted for both the Partridge River watershed and the Embarrass River watershed. The following steps will provide acreage for wetland and water resources for the pre-settlement, existing and foreseeable future conditions. Tables and figures will be developed to present the information.

5.1 Presettlement Wetland and Water Resources

The pre-settlement conditions time period represents wetlands, lakes, and deepwater resources as they existed prior to mining and urban development in the late 1800s to early 1900s. An estimate of pre-settlement wetland, lakes, and deepwater acreage within the Partridge River and Embarrass River watersheds will be developed in GIS using the following steps:

1. The acreage of wetland and water resources estimated for the pre-settlement period will be developed using the U.S. Fish and Wildlife Service (USFWS) National Wetlands Inventory (NWI) and the original survey maps developed using data from the original Government Land Surveys along with other historical surveys and sources, generally from the late 1800s.
2. The NWI mapping efforts were generated from interpretations of black-and-white aerial photographs completed in the late 1970s to early 1980s. The NWI is a more accurate depiction of historic wetland resources where human disturbance has been limited. Therefore, the NWI will be used as a base wetland map and available delineation data will be substituted to improve the accuracy of the wetland mapping.
3. The original survey maps will be obtained from the MDNR GIS Data Deli maps at http://deli.dnr.state.mn.us/. The original survey maps identify water resources as marshes, bottoms, swamps, lakes, ponds, and rivers, as documented in early land surveys. The original survey maps are a more accurate depiction of historic wetland resources where human disturbance is present. The water resources within the areas of human disturbance in each watershed will be digitized and presented on a figure.
4. The wetland and water resources mapped on the original survey maps will be digitized for one township, with minimal disturbance (roads, railroads, mining areas, etc.) located within and adjacent to the Partridge River watershed and for one township located within the Embarrass River watershed. It is assumed that if there is a minimal amount of disturbance in a township, the NWI mapping would be representative of pre-settlement wetland and water resources conditions. Therefore the data from each township will be used to develop a relationship between the NWI and original survey data.

5. The total wetland and water resources acreage for the two data sets will be compiled and the ratio of NWI to original survey map wetland and water resources will be calculated for each township. This ratio will indicate the percent of wetland and water resources identified on the NWI maps compared the original survey maps. This ratio will be used as an adjustment factor to conform the original survey data to the standards and scales of the NWI data for estimating the pre-settlement wetland resources within the disturbed areas of the watershed. The selected townships and data used to determine the adjustment factor will be presented in a table.
6. For the human disturbance areas, the NWI wetlands and water resources located within the human disturbance polygon boundaries will be removed using a GIS clipping tool. The NWI within these disturbance areas do not accurately reflect pre-settlement conditions because the NWI either included wetlands that have since been eliminated because of disturbance activities or did not include wetlands that had already been eliminated when the NWI was completed (e.g., reservoir development permanently flooded the wetlands). Because the NWI does not accurately map these types of areas, it does not accurately represent pre-settlement conditions; therefore the NWI wetlands in the disturbed areas will be replaced with wetlands mapped on the original survey maps. The total area of wetland and water resources within those polygons will be corrected using the adjustment factor. The total acreage of pre-settlement wetlands and water resources will be estimated for the two watersheds.

5.2 Existing Wetland and Water Resources

The existing conditions time period represents wetland, lake, and deepwater resources as they exist today, prior to the development of the Project. An estimate of existing wetland, lake, and deepwater acreage within the Partridge River and Embarrass River watersheds will be developed in GIS using the following steps:

1. Existing wetland, lake, and deepwater resources will be estimated using: wetland delineations completed in the area (as available); lake or lacustrine water body acreages will be estimated using the USGS National Hydrograph Dataset and the NWI datasets; deepwater or mine pit water body acreages will be estimated using a combination of the MDNR Mesabi Mining Features (2008) and interpretation of 2003, 2008, 2009, and 2010 FSA aerial photographs; and NWI mapping.
2. A "composite" wetland and water resources layer will be developed by deleting all of the NWI polygons from areas in which more detailed mapping had been completed and replacing them with the delineated wetland, lake, and deepwater resources.

5.3 Projected Future Wetland and Water Resources

An estimate of future wetland acreage within the Partridge River and Embarrass River watersheds will be completed considering reasonably foreseeable future project wetland impacts, both direct and potential indirect. Reasonably foreseeable future projects are defined as those that have been permitted and those that have had permit applications submitted and/or are undergoing environmental review by regulatory agencies.

The future conditions time period represents wetland, lake, and deepwater resources expected to be present following conclusion and reclamation of the Project. It is assumed that the future conditions follows some time after conclusion of the future projects such that the mine pit will have filled with water.

Relevant public officials from city, county, state and federal agencies will be contacted to identify reasonably foreseeable future actions within the study area. Agency officials will be asked to identify reasonably foreseeable future projects that may occur during the life of the Project. Contacts will include the City of Babbitt, St. Louis County, MDNR, Minnesota Board of Water and Soil Resources, the U.S. Forest Service, and the Iron Range Resources and Rehabilitation Board (IRRRB).

Future projects will be identified in the Partridge River watershed and the Embarrass River watershed that may impact wetland, lake, and deepwater resources. For the projected future conditions, the acreage of wetland, lake, and deepwater resources will be estimated by subtracting the future projected wetland impacts and adding the future projected development of wetland, lake, and deepwater resources to the existing resource totals. This information will be provided as a table.

5.4 Qualitative Analysis of Cumulative Wetland Impacts for the St. Louis River below the Ordinary High Water Mark From Its Confluence with the Embarrass River to Lake Superior

A qualitative analysis of cumulative wetland impacts for the St. Louis River below the ordinary high water mark from its confluence with the Embarrass River to Lake Superior will be developed based on a qualitative estimate of flow changes in the river.

A qualitative estimate of flow changes in the St. Louis River will be developed from the results of the Partridge River hydrologic modeling described in Section 7.1.1 of Reference 3. The estimated flow changes in the St. Louis River will be evaluated relative to gage data to determine if the changes are expected to be within the natural variation of flow within the St. Louis River will be developed using the following steps:

1. If the evaluation of the estimated flow changes in the St. Louis River is within the natural variation of average annual flow in within the St. Louis River observed at USGS gage 04016500 (St. Louis River near Aurora), no further analysis will be conducted. This location is the most upstream location of the St. Louis River affected by the NorthMet Project, and will therefore show the greatest impact.
2. If the evaluation of the estimated flow changes in the St. Louis River is not within the natural variation of flow in within the St. Louis River, the following analysis will be conducted.
    a. An estimate of existing wetland acreage and wetland types below the ordinary high water mark of the St. Louis River from its confluence with the Embarrass River to Lake Superior will be made using the National Wetland Inventory.
    b. An estimate of future wetland acreage and wetland types below the ordinary high water mark of the St. Louis River will be made from its confluence with the Embarrass River to Lake Superior.

5.5 Quantitative Analysis of Cumulative Wetland Impacts

5.5.1 Partridge River and Embarrass River Watersheds

A quantitative analysis of cumulative impacts for the Partridge River and Embarrass River watersheds will be developed using the following steps:

1. The acreage of wetland, lake, and deepwater resources for the pre-settlement, existing and reasonably foreseeable future conditions will be provided as a table. The foreseeable future conditions will include evaluation of a No Action Alternative and the Proposed Action.
    a. The acreage of wetland, lake, and deepwater resources will be compared and discussed for the pre-settlement, existing and reasonably foreseeable future conditions.
    b. The project's effect on the wetland, lake, and deepwater resources will be discussed and compared for the study area. This includes a discussion of changes in acreage,

water quality, unique habitat, adjacency to stream resources, and cumulative effects of projects within each watershed.

5.5.2 The St. Louis River below the Ordinary High Water Mark From Its Confluence with the Embarrass River to Lake Superior

A quantitative analysis of cumulative impacts for wetlands located below the ordinary high water mark of the of the St. Louis River from its confluence with the Embarrass River to Lake Superior will be developed using the following steps:

1. If the evaluation of the estimated flow changes in the St. Louis River is within the natural variation of flow in within the St. Louis River, no further analysis will be conducted.
2. If the evaluation of the estimated flow changes in the St. Louis River is not within the natural variation of flow in within the St. Louis River, determine the change in wetland acreage from existing to future conditions based on a qualitative estimate of flow changes in the St. Louis River.

5.6 Climate Change

A qualitative analysis of estimated climate change impacts (to be coordinated with the climate change evaluation being conducted for the air impacts chapter of the SDEIS) on cumulative wetland impacts in the Partridge River Watershed, the Embarrass River Watershed, and below the ordinary high water mark of the of the St. Louis River from its confluence with the Embarrass River to Lake Superior.

The qualitative assessment of the potential impacts of climate change on wetlands will be included in the Climate Change Evaluation Report developed by the Air IAP. No additional assessment will be conducted.

6. References

Reference 1 NorthMet Project Project Description, Version 3, September 13, 2011

Reference 2 NorthMet Project Draft Environmental Impact Statement. U.S. Army Corps of Engineers and Minnesota Department of Natural Resources. October 2009.

Reference 3 NorthMet Project Water Modeling Data Package – Volume 1 (Mine Site) Version 5

Reference 4 Compilation of Air Pollutant Emission Factors, AP-42 5th edit. Volume I Stationary Point and Area Sources, Section 13.2.5. Updated November 2006. U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards. Research Triangle Park, North Carolina.

Reference 5 NorthMet Project Water Modeling Data Package – Volume 2 (Plant Site) Version 2

Reference 6 Surface Water IAP Group Summary Document, Date: May 20, 2011.

Reference 7 NorthMet Project Waste Characterization Data Package Version 5

Reference 8 NorthMet Mine Site Water Modeling Work Plan Version 2