

Dear Interested Party:

The Department of Environmental Quality (DEQ) has completed a Draft Environmental Impact Statement (Draft EIS) on Garnet USA's proposed amendment for its operating permit (00157). You can obtain an electronic version of the Draft EIS on DEQ's web site <http://deq.mt.gov/eis.mcp.x>. DEQ will hold a public meeting and accept public comments on the Draft EIS on Tuesday October 15th from 4-6 pm at the Alder Community Hall (Fire Department) in Alder. The hall is on Upper Ruby Road between 1st Street and Judy Lane. DEQ will also accept public comment on this Draft EIS until October 31, 2013.

Garnet USA has applied to the Department of Environmental Quality (DEQ) for an amendment to Operating Permit No. 00157 under the Metal Mine Reclamation Act, Section 82-4-301, *et seq.*, MCA. The proposed amendment would authorize the operation of an open pit garnet mine at the Red Wash Hard Rock Site located approximately 4.5 miles southeast of Alder, Montana. Pursuant to Section 82-4-337, MCA, DEQ determined that the amendment application was complete and compliant and issued a draft permit amendment on February 27, 2013. Pursuant to Section 82-4-337(1)(f), MCA, issuance of the draft permit as a final permit is the proposed state action subject to the environmental review required by the Montana Environmental Policy Act (MEPA) (Section 75-1-201, *et seq.*, MCA). Section 75-1-201(1)(iv), MCA, requires the preparation of an environmental impact statement for state actions that may significantly affect the quality of the human environment. The environmental impact statement (EIS) must include a detailed statement on the environmental impact of the proposed action, alternatives to the proposed action, and a no action alternative. Pursuant to this statute, the Draft EIS analyzed a No Action Alternative, a Proposed Action Alternative (the company's proposed permit amendment), and an Agency-Mitigated Alternative.

ARM 17.4.617 requires DEQ to include in an environmental impact statement an identification of the agency's preferred alternative, if any, and the reasons for the preference. DEQ's preferred alternative is the Agency-Mitigated Alternative. This alternative is a modification of the company's proposal. The Agency-Mitigated Alternative modifies the proposed action with additional groundwater monitoring and an altered route for ore haul trucks to enter and leave the processing plant.

Under the Agency-Mitigated Alternative, the potential impacts due to conflict between ore haul trucks and local traffic may be reduced. Once the haul trucks cross State Route 287 and travel along the south end of Ruby Road, trucks on the modified route would turn left and enter the plant site via a new northwest-trending access road that takes the trucks directly toward the main plant area. The new entrance and road into the plant would remove ore trucks from Ruby Road north of the entrance and isolate them from the residents located further north.

The Agency-Mitigated Alternative would expand the current groundwater monitoring plan to include more sampling points and to analyze for nitrogen compounds incorporated in the garnet ore from blasting at the open pit mine site. Garnet USA would expand the current groundwater

monitoring plan to include more sampling points and to analyze for nitrate in surface water and groundwater. This expanded monitoring would provide a broader characterization of baseline water quality conditions, allow a comparison of future water quality compared to current conditions, identify potential leakage from the two lined process ponds, identify the impact (if any) of the water and sewer district Land Application Disposal (LAD) site, and evaluate if nitrogen compounds are present beneath or migrating from the Alder Gulch site.

The Draft EIS for the Garnet USA mine site is found at <http://deq.mt.gov/eis.mcpx>. Garnet USA's operating permit application can be viewed at <http://deq.mt.gov/hardrock/default.mcpx>. You can provide comments on the Draft EIS electronically using the following e-mail address garnetusacomments@mt.gov.

DEQ will make its final decision after reviewing public comments on the Draft Environmental Impact Statement (EIS). For more information or to comment, please contact:

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406-444-3276

I welcome and look forward to your participation.

Sincerely,

A handwritten signature in black ink, appearing to read "Tracy Stone-Manning". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Tracy Stone-Manning, Director
Montana Department of Environmental Quality

