

### Aurora Permits, Approvals, and Regulations

The principal elements for Aurora permits, approvals, and regulations follow:

1872 General Mining Law (1872 Law) - The 1872 General Mining Law allows claimants and claim owners, foreign and domestic, exclusive access to federal public domain lands for the purpose of locating and removing minerals. The 1872 Law grants an absolute right to mine, but not standards for prudent mine operations, mine site cleanup, reclamation or restoration, or financial responsibility.

Mining claims constitute private property rights and are a dominant use not subject to federal agency land use plans. States can require more vigorous environmental standards than federal agencies so long as the effect of state regulations is not to prohibit mining on federal lands.

Bureau of Land Management (BLM) - Aurora is located on public domain lands managed by BLM. BLM will prepare an environmental assessment or environmental impact statement as required by the National Environmental Policy Act (NEPA). The NEPA process will evaluate the proposed Aurora plan of operations (POO). BLM may require modifications to the POO “to prevent unnecessary or undue degradation on the federal lands.” Unnecessary or undue are not defined by federal regulations.

BLM does not issue permits to carry out mining activities on public land. Under existing public lands mining law, BLM may neither deny a POO nor condition a POO approval on the operator securing permits from other agencies or authorities. If a Clean Water Act (CWA) permit is required, for example, BLM may not withhold approval of the Aurora POO pending CWA permit approval.

Similarly, BLM does not have direct enforcement authority to regulate mining operations on public land claimed pursuant to the 1872 Law. Miners operating in conflict with an approved POO are issued a notice of non-compliance. Because BLM does not issue a permit, BLM has the burden of proof when seeking enforcement if an operator fails to comply.

State of Oregon - The Oregon Chemical Process Mining Law (CPML) applies to Aurora. Following the CPML enactment in 1991, cooperating Oregon agencies -- DOGAMI, Oregon Department of Environmental Quality (DEQ), Oregon Department of Fish and Wildlife (DFW), Oregon Water Resources Department (WRD) -- developed comprehensive administrative rules implementing the law.

The CPML is triggered by a notice of intent. Cooperating agencies are notified and a coordinated application process is initiated. Unlike BLM, the State of Oregon is not obligated to approve an application for chemical process mining; chemical process mining permits are revokable.

The right of the State of Oregon to regulate mining and to deny a permit to carry out specific mining activities on public land was confirmed by the landmark case *Kinross Copper Corporation v. State of Oregon* decided by the Oregon Court of Appeals in 1999. Kinross

petitions for review were denied by both the Oregon State Supreme Court and the United States Supreme Court.

The Oregon CPML and Oregon agency administrative rules are as follows:

ORS 517.952 - ORS 517.992	Chemical Process Mining Statutes
Chapter 632, Division 37	DOGAMI Chemical Process Mining Rules
Chapter 340, Division 43	DEQ Chemical Mining Rules
Chapter 636, Division 420	DFW Chemical Process Mining Rules
Chapter 690, Division 78	WRD Chemical Process Mining Rules

Oregon Energy Facility Siting Council (EFSC) - Because Aurora operations involve facilities for the milling and production of uranium ore and products, EFSC laws and regulations apply to Aurora. Oregon Energy has suggested that an memorandum of agreement (MOA) or statutory changes may be necessary to carry out a consolidated permitting process between EFSC and state cooperating agencies.

Nuclear Regulatory Agency (NRA) and U.S Department of Energy (DOE) - The NRA regulates uranium milling operations and the DOE administers the Uranium Mill Tailings Radiation Control Act (1978) regulating disposal, stabilization, and control of uranium mill tailings.

U. S. Environmental Protection Agency (EPA) - EPA has delegated authority to the State of Oregon to administer the Clean Water Act (CWA) and Clean Air Act (CAA). EPA retains the authority to review and intervene in permits proposed and issued pursuant to the CWA and CAA. Because uranium mining tailings and overburden are classified as Technology Enhanced Naturally Occurring Radioactive Material, EPA has an additional oversight role.