

Zortman and Landusky Mines – Reclamation Funding Fact Sheet (as of 9/27/04)¹

The following are the bonds, trust funds, or cash obtained from Zortman Mining, Inc. (ZMI)/Pegasus Gold Corporation that have been used, or allocated for use, at the Zortman and Landusky Mines to pay for reclamation and water treatment:

ZMI mine reclamation surety bonds:	\$29.6 million;
ZMI construction assurance bond for water treatment facilities	\$ 2.0 million;
ZMI water treatment surety bond through year 2017	\$13.9 million;
ZMI trust fund for long-term water treatment beyond year 2017	\$12.3 million;
Funds awarded during bankruptcy on agency claims against ZMI	\$ 1.1 million.

The funding listed in the table below is in addition to the above-listed surety bonds and trust funds.

Zortman and Landusky Mines – Supplemental Reclamation-Related Funding and Sources

Bureau of Land Management		
<i>Project</i>	<i>Amount</i>	<i>Source</i>
Supplemental EIS	\$ 120,000	BLM subactivity 1990 funds ²
Ruby Gulch Tailings Removal (from townsite)	700,000	BLM AML funding ³
Water Treatment Plant Operations	549,500	BLM AML funding
Water Treatment Plant Operations	150,000	BLM subactivity 1990 funds
L85/86 Leach Pad Removal and Pit Backfilling	4,225,000	BLM AML funding
L85/86 Leach Pad Removal and Pit Backfilling	400,000	BLM subactivity 1990 funds
Montana Department of Environmental Quality		
<i>Project</i>	<i>Amount</i>	<i>Source</i>
Grants for Ruby Gulch Tailings, Water Treatment, and Organic Soil Amendment (\$300,000 each)	\$ 900,000	Resource Indemnity Trust (RIT) Grants ⁴
Purchase of Water Treatment Zero Coupon Bond	540,000	RIT Funds
DEQ Studies and Sampling Program	60,000	DEQ Budget
DEQ Water Treatment	182,000	DEQ Budget
ERRA Funding to Match EPA for Monitoring Well in Montana Gulch	15,000	DEQ Fines, Fees and Penalties Funds
Environmental Protection Agency		
<i>Project</i>	<i>Amount</i>	<i>Source</i>
Funding to Match DEQ for Monitoring Well in Montana Gulch	\$ 15,000	EPA Grants program
Funding for Supplemental EIS Preparation	325,000	EPA Grants program

¹ Subject to updating and revision as funding is provided and expenditures processed. All surety bonds held by the Montana DEQ.

² The surface management program (subactivity 1990) funds come from a 2 to 1 mixture of the mining claim holding fees and appropriated funds.

³ The BLM's abandoned mine land (AML) funds are derived from appropriated dollars under BLM's soil, water and air program (subactivity 1010).

⁴ The RIT funds are derived from taxes on coal mining in Montana.