

**Proposed Project Summary  
for Aquila Resources Inc. - Back Forty Project  
September 2, 2016**

The Michigan Department of Environmental Quality (MDEQ), Air Quality Division (AQD), is asking for comments on a proposed air permit for Aquila Resources Inc. (Aquila). We will accept comments on the proposed air permit until the end of the public comment period at 5:00 P.M. CST on November 3, 2016. We will review all comments before we make a final decision on the proposal.

**What is the company asking to do in the permit application?**

Aquila is asking to build an open pit mine and ore processing facility on River Road, about 10 miles west of Stephenson in Menominee County. The facility, known as the Back Forty Project, will mine ore that contains copper, zinc, and precious metals. The ore will be processed to make copper and zinc concentrates and bars of mixed gold and silver, called doré. The concentrates and bars will be shipped from the facility by truck. Waste rock from the mine and tailings from processing the ore will be managed at the site.

**What fuels will be used at the proposed facility?**

Aquila will use propane in the furnace used to make the mixed gold and silver bars and in two small boilers that will make steam for the facility. Aquila will also use diesel fuel in the emergency generators.

**Does the proposed facility meet the law?**

We evaluated Aquila's proposed facility and believe it would comply with all of the applicable legal requirements. Aquila will use air pollution control equipment, including a chilled water condenser, activated carbon, a wet scrubber system, baghouse dust collectors, and enclosures on conveyors to control the air emissions from the proposed facility. Aquila will also be required to follow a plan for controlling dust from the facility, such as dust from truck traffic. A draft of this plan is included in the proposed permit conditions.

**What is the current air quality in the area?**

The facility is located in Menominee County, which is meeting all of the national air quality standards (National Ambient Air Quality Standards, or NAAQS) set by the United States Environmental Protection Agency. These air quality standards are for particulate matter, particulate matter equal to or less than 10 microns in diameter, particulate matter equal to or less than 2.5 microns in diameter, ozone, carbon monoxide, sulfur dioxide, nitrogen dioxide, and lead. These standards are set at levels designed to protect the public health.

**What affect would the proposed facility have on public health and the environment?**

We used computer dispersion modeling to evaluate the air emissions from the proposed facility. Based on the modeling, the emissions would comply with all of the applicable regulations designed to protect public health and the environment. The MDEQ also evaluated the potential effects of fallout dust on the Menominee River and Spring Lake. We do not expect the air emissions from the facility to harm public health or the environment.

**Where can I find more information?**

There are two ways to find more information: the Public Participation Fact Sheet has more details about the project and how it will meet the rules and regulations, and the AQD staff can provide additional information on request, such as the following:

- What are the rules and regulations that apply to the proposed project?
- What are the air emissions from the proposed project?
- How will air quality and public health be protected?
- What will the proposed permit require the company to do?
- Example emission calculations.

### **How do the public comment period and public hearing work?**

The law requires the AQD to invite public comment on certain proposed permit actions.

Public comment periods and public hearings allow people to comment on the AQD's evaluation of an application and on a proposed permit. The public comment period will be from September 1, 2016 to 5:00 P.M. CST on November 3, 2016. The AQD will review all comments before we make a final decision on the permit application. Based on comments received during the public comment period, which will include a public hearing, the AQD may take one of these actions:

- Issue the permit as proposed
- Deny the permit application
- Issue a permit based on the proposal with changes reflecting the comments.

The AQD staff will be available at the public hearing on October 6, 2016, from 6:00 P.M. to 10:00 P.M. CST at the Stephenson High School gymnasium, W525 Division Street, Stephenson, Michigan, to answer any questions people have about the proposed permit. Note this will be a consolidated public hearing with the MDEQ Office of Oil Gas and Minerals and the MDEQ Water Resources Division. Comments will be accepted on the proposed AQD Permit to Install, the proposed National Pollution Discharge Elimination System permit for discharge of treated process wastewater, and the proposed decision to grant the Nonferrous Metallic Mineral Mining Permit Application. Under the law, we must approve an air permit application if the project complies with the state and federal air quality rules and regulations.

Comments about air quality and the proposed permit that the AQD can consider include:

- Technical or mathematical mistakes
- Other emission sources the proposed permit should include, and why
- Why the equipment in the proposed permit would not meet the rules and regulations
- Other rules or regulations the proposed permit should include, and why
- Why the proposed permit should include more monitoring of air emissions
- Why the proposed permit should include more monitoring of control devices
- Why the emission controls do not meet the rules and regulations

### **Summary:**

The AQD has evaluated the permit application and prepared a proposed permit for public review and comment. We believe the proposed permit would ensure the facility would comply with the air quality requirements. Therefore, we are proposing that the application be approved, subject to the requirements of the proposed permit.

However, before the AQD takes action on the application, we are requesting comments from the public. The AQD will review all comments received during the public comment period and public hearing and make a final decision on the permit application. If the application is approved, the AQD may decide to add or change permit conditions based on the comments.

For more information, please contact Andrew Drury, AQD, at 517-284-6792.