



Grants Reclamation Project

Homestake Mining Company of California

Thomas Wohlford
Closure Manager

October 18, 2018

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Ron C. Linton, Project Manager
Uranium Recovery and Material Decommissioning Branch
U.S. Nuclear Regulatory Commission
Mail Stop: T-5A10
Washington, D.C. 20555-0001

Re: Reply to Request for Additional Information – NRC Review of Homestake 2018 Financial Surety License Amendment Request, Docket No. 040-08903, License No. SUA-1471

Dear Mr. Linton:

Homestake Mining Company of California (HMC) has prepared this response to a Request for Additional Information (RAI) (ML18215A460) by the Nuclear Regulatory Commission (NRC) (letter dated September 28, 2018) concerning the 2018 Financial Surety License Amendment Request (ML18141A408) submitted to the U.S. Nuclear Regulatory Commission (NRC) on May 14, 2018. NRC indicates that additional information is required from HMC regarding the financial surety license amendment request.

Should you have any questions or comments regarding the attached RAI responses, please contact me at twohlford@homestakeminingcooca.com or (505) 290-2187.

Sincerely,

Thomas P. Wohlford
Closure Manager
Homestake Mining Company, Grants, New Mexico

- cc: A. Winton, NMED, Santa Fe, New Mexico (electronic and hard copy)
M. Purcell, EPA, Dallas, Texas (electronic copy)
M. McCarthy, Barrick, Toronto, Ontario (electronic copy)
C. Burton, Barrick, Henderson, Nevada (electronic copy)
R. Whicker, ERG, Albuquerque, New Mexico (electronic copy)
G. Hoffman, Hydro-Engineering, Casper, Wyoming (electronic copy)

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Preface

The following presents HMC responses to RAIs from NRC concerning the 2018 Financial Surety License Amendment Request. Each RAI from NRC is shown in italics, followed by HMC's response.

RAI #1

Please submit NRC Form 313 for the Financial Surety License Amendment Request as part of the HMC response to these RAIs.

HMC Response

Attachment 1 contains the NRC Form 313 for this amendment.

RAI #2

Staff requests that the licensee provide an accountant's special report as to whether Barrick Gold Corporation meets all the components of the PCG financial test in 10 CFR Part 30, Appendix A, after deducting out the aggregate amount of all off-balance sheet transactions from each numeric component of the financial test.

HMC Response

Attachment 2 contains the Parent Company Guarantee financial test update by Price Waterhouse Coopers (PWC) including the off-balance sheet transactions.

Additional Notes

Staff recommends that licensees, in addition to adjustments for inflation (CPI), re-baseline their cost estimates at least once every five years in order to account for significant changes to unit costs.

HMC Response

HMC is currently working with a contractor to re-baseline the decommissioning costs for the Grants Reclamation Project and expects to have this work completed by March 2019.



**ATTACHMENT 1 – NRC Form 313 for the Groundwater Monitoring Plan License
Amendment**



APPLICATION FOR MATERIALS LICENSE

APPROVED BY OMB: NO. 3150-0120

EXPIRES: 06/30/2019

Estimated burden per response to comply with this mandatory collection request: 4.3 hours. Submittal of the application is necessary to determine that the applicant is qualified and that adequate procedures exist to protect the public health and safety. Send comments regarding burden estimate to the Information Services Branch (T-2 F43), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by e-mail to InfoCollects.Resource@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-0120), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

INSTRUCTIONS: SEE THE CURRENT VOLUMES OF THE NUREG-1556 TECHNICAL REPORT SERIES ("CONSOLIDATED GUIDANCE ABOUT MATERIALS LICENSES") FOR DETAILED INSTRUCTIONS FOR COMPLETING THIS FORM: <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/gr1556/>. SEND TWO COPIES OF THE COMPLETED APPLICATION TO THE NRC OFFICE SPECIFIED BELOW.

APPLICATION FOR DISTRIBUTION OF EXEMPT PRODUCTS FILE APPLICATIONS WITH:

MATERIALS SAFETY LICENSING BRANCH
 DIVISION OF MATERIAL SAFETY, STATE, TRIBAL AND RULEMAKING PROGRAMS
 OFFICE OF NUCLEAR MATERIALS SAFETY AND SAFEGUARDS
 U.S. NUCLEAR REGULATORY COMMISSION
 WASHINGTON, DC 20555-0001

ALL OTHER PERSONS FILE APPLICATIONS AS FOLLOWS:

IF YOU ARE LOCATED IN:

ALABAMA, CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, KENTUCKY, MAINE, MARYLAND, MASSACHUSETTS, NEW HAMPSHIRE, NEW JERSEY, NEW YORK, NORTH CAROLINA, PENNSYLVANIA, PUERTO RICO, RHODE ISLAND, SOUTH CAROLINA, TENNESSEE, VERMONT, VIRGINIA, VIRGIN ISLANDS, OR WEST VIRGINIA,

SEND APPLICATIONS TO:

LICENSING ASSISTANCE TEAM
 DIVISION OF NUCLEAR MATERIALS SAFETY
 U.S. NUCLEAR REGULATORY COMMISSION, REGION I
 2100 RENAISSANCE BOULEVARD, SUITE 100
 KING OF PRUSSIA, PA 19406-2713

IF YOU ARE LOCATED IN:

ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, MISSOURI, OHIO, OR WISCONSIN, SEND APPLICATIONS TO:

MATERIALS LICENSING BRANCH
 U.S. NUCLEAR REGULATORY COMMISSION, REGION III
 2443 WARRENVILLE ROAD, SUITE 210
 LISLE, IL 60532-4352

IF YOU ARE LOCATED IN:

ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, HAWAII, IDAHO, KANSAS, LOUISIANA, MISSISSIPPI, MONTANA, NEBRASKA, NEVADA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, OREGON, PACIFIC TRUST TERRITORIES, SOUTH DAKOTA, TEXAS, UTAH, WASHINGTON, OR WYOMING,

SEND APPLICATIONS TO:

NUCLEAR MATERIALS LICENSING BRANCH
 U.S. NUCLEAR REGULATORY COMMISSION, REGION IV
 1600 E. LAMAR BOULEVARD
 ARLINGTON, TX 76011-4511

PERSONS LOCATED IN AGREEMENT STATES SEND APPLICATIONS TO THE U.S. NUCLEAR REGULATORY COMMISSION ONLY IF THEY WISH TO POSSESS AND USE LICENSED MATERIAL IN STATES SUBJECT TO U.S. NUCLEAR REGULATORY COMMISSION JURISDICTIONS.

1. THIS IS AN APPLICATION FOR (Check appropriate item) <input type="checkbox"/> A. NEW LICENSE <input checked="" type="checkbox"/> B. AMENDMENT TO LICENSE NUMBER <u>SUA-1471</u> <input type="checkbox"/> C. RENEWAL OF LICENSE NUMBER	2. NAME AND MAILING ADDRESS OF APPLICANT (include zip code) Homestake Mining Company of California PO Box 98 Grants, NM 87020
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3. ADDRESS WHERE LICENSED MATERIALS WILL BE USED OR POSSESSED Homestake Mining Company of California 560 Anaconda Road Route 605 North Milan, New Mexico 87021	4. NAME OF PERSON TO BE CONTACTED ABOUT THIS APPLICATION Thomas Wohlford, Closure Manager
BUSINESS TELEPHONE NUMBER: 505-287-4456 ext. 34	
BUSINESS CELLULAR TELEPHONE NUMBER: 505-290-2187	
BUSINESS E-MAIL ADDRESS: twohlford@homestakeminingcoca.com	

SUBMIT ITEMS 5 THROUGH 11 ON 8-1/2 X 11" PAPER. THE TYPE AND SCOPE OF INFORMATION TO BE PROVIDED IS DESCRIBED IN THE LICENSE APPLICATION GUIDE.

5. RADIOACTIVE MATERIAL a. Element and mass number; b. chemical and/or physical form; and c. maximum amount which will be possessed at any one time.	6. PURPOSE(S) FOR WHICH LICENSED MATERIAL WILL BE USED.
7. INDIVIDUAL(S) RESPONSIBLE FOR RADIATION SAFETY PROGRAM AND THEIR TRAINING AND EXPERIENCE.	8. TRAINING FOR INDIVIDUALS WORKING IN OR FREQUENTING RESTRICTED AREAS.
9. FACILITIES AND EQUIPMENT.	10. RADIATION SAFETY PROGRAM.
11. WASTE MANAGEMENT.	12. LICENSE FEES (Fees required only for new applications, with few exceptions*) (See 10 CFR 170 and Section 170.31) *Amendments/Renewals that increase the scope of the existing license to a new or higher fee category will require a fee.
FEE CATEGORY	AMOUNT ENCLOSED \$

PER THE DEBT COLLECTION IMPROVEMENT ACT OF 1996 (PUBLIC LAW 104-134), YOU ARE REQUIRED TO PROVIDE YOUR TAXPAYER IDENTIFICATION NUMBER. PROVIDE THIS INFORMATION BY COMPLETING NRC FORM 531: <https://www.nrc.gov/reading-rm/doc-collections/forms/nrc531info.html>.

13. CERTIFICATION. (Must be completed by applicant) THE APPLICANT UNDERSTANDS THAT ALL STATEMENTS AND REPRESENTATIONS MADE IN THIS APPLICATION ARE BINDING UPON THE APPLICANT.

THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATION ON BEHALF OF THE APPLICANT, NAMED IN ITEM 2, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PARTS 30, 32, 33, 34, 35, 36, 37, 39, AND 40, AND THAT ALL INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF.

WARNING: 18 U.S.C. SECTION 1001 ACT OF JUNE 25, 1948 62 STAT. 749 MAKES IT A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION.

CERTIFYING OFFICER - TYPED/PRINTED NAME AND TITLE Thomas P. Wohlford	SIGNATURE 	DATE 10/18/18
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FOR NRC USE ONLY

TYPE OF FEE	FEE LOG	FEE CATEGORY	AMOUNT RECEIVED	CHECK NUMBER	COMMENTS
APPROVED BY				DATE	



ATTACHMENT 2 – Price Waterhouse Cooper (PWC) Financial Test



September 28, 2018

Report in connection with the U.S. Nuclear Regulatory Commission (NRC)

Ms. Catherine Raw
Executive Vice President and Chief Financial Officer
Barrick Gold Corporation
Brookfield Place
TD Canada Trust Tower
161 Bay Street, Suite 3700
PO Box 212
Toronto ON M5J 2S1

Dear Ms. Raw:

As agreed with you, we have performed procedure 1 – 3 enumerated below with respect to Items 2 through 9 and A.1 (i) to (iv) in the schedule attached to the letter from Barrick Gold Corporation (Barrick) to the U.S. Nuclear Regulatory Commission (NRC), dated March 20, 2018, in support of Barrick's use of the financial test set forth in 10 CFR Part 30, Appendix A, to demonstrate financial assurance as required by 10 CFR Part 40, Appendix A Criteria 9 (the filing). We have additionally performed procedure 4 – 5, not included in the filing. This letter is furnished solely for filing with the NRC in accordance with these regulations and is not to be used for any other purpose. The procedures that we performed are summarized below:

1. We compared the amounts included in Items 5 and 6 in the schedule referred to above with the corresponding amounts included in the audited consolidated financial statements of Barrick for the year ended December 31, 2017, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (the consolidated financial statements), and found them to be in agreement.
2. We recomputed from, or reconciled to, the consolidated financial statements, the information included in Items 2, 3, 4, 7, 8 and 9 in the schedule referred to above. The term "tangible net worth" as referred to in Item 3 is defined as "Total assets less goodwill, intangible assets and total liabilities excluding the Grants Reclamation Project accrual of \$83 million (Grants Reclamation accrual)". The term "total net worth" as referred to in Item 4 is defined as "Total equity excluding the Grants Reclamation Project accrual". The term "total assets in U.S." as referred to in Item 9 is defined as "Non-current assets in the United States" as disclosed in Note 5 of the 2017 consolidated financial statements. No exceptions were noted.
3. We checked the mathematical accuracy of the responses to Items A.1 (i) to (iv) inclusive in the schedule referred to above. No exceptions were noted.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215, www.pwc.com/ca

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



4. We inquired with management as to the details of any off-balance sheet arrangements and noted none.
5. We read the minutes of the Board of Directors meetings and contracts entered into by Barrick greater than \$90 million USD for the year-ended December 31, 2017 and noted no off-balance sheet arrangements.

These procedures do not constitute an audit of the filing, and therefore we express no opinion on that filing. Had we performed additional procedures or had we made an examination of the information included in Items 2 through 9 and A.1, other matters might have come to our attention that would have been reported to you.

It is understood that this report is intended solely for the information of management and the other user, the NRC. Consequently, the report should not be distributed to other parties. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third party. We accept no responsibility for any loss or damages suffered by any third party as a result of decisions made or actions taken based on this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

HOMESTAKE MINING COMPANY OF CALIFORNIA
FINANCIAL TEST TO DEMONSTRATE FINANCIAL ASSURANCE
(In millions of US dollars)

1.	Sum of decommissioning, reclamation and long -term Surveillance and control estimates for facilities SUA 1471.	\$ 83
2.	Total liabilities (excluding Grants reclamation accrual).	\$ 14,158
3.	Tangible Net Worth (excluding Grants reclamation accrual).	\$ 9,565
4.	Total Net Worth (excluding Grants reclamation accrual).	\$ 11,150
5.	Current Assets	\$ 4,684
6.	Current Liabilities	\$ 1,747
7.	Net Working Capital (line 5 minus 6)	\$ 2,937
8.	The sum of net income (loss) plus depreciation ¹	\$ 3,163
9.	*Total Assets in U.S.* (required only if less than 90 percent of firm's assets are located in the U.S.).	\$ 6,641

Denotes figures contained in or derived from Barrick Gold Corporation's December 31, 2017 consolidated financial statements.

¹ \$1,647 of depreciation was added back to net income

Financial test set forth in 10 CFR Part 30, Appendix A. To pass the financial test, the parent company must meet the criteria of either paragraph A.1 or A.2 of this section.

	Yes	No
A.1		
(i) Guarantor must pass two of the following three tests.		
Are total liabilities (line 2) divided by net worth (line 4) less than 2.0?	X	
Is net income plus depreciation (line 8) divided by total liabilities (line 2) greater than 0.1?	X	
Are current assets (line 5) divided by current liabilities (line 6) greater than 1.5?	X	
(ii) Is net working capital (line 7) at least 6 times the site cost estimate (line 1)? AND		
Is tangible net worth (line 3) at least 6 times the site cost estimate (line 1)?	X	
(iii) Is tangible net worth (line 3) at least \$21 million?		
	X	
(iv) Are 90% of firms assets in US?		
If not, are the total assets in U.S. (line 9) at least 6 times the site cost estimate (line 1)?	X	X
A.2 SINCE BARRICK PASSED A.1, WE HAVE NOT PERFORMED A.2		
(i) A current rating for its most recent uninsured, uncollateralized, and unencumbered bond issuance of AAA, AA, A, or BBB (including adjustments of + and -) as issued by Standard and Poor's or Aaa, Aa, A, or Baa (including adjustment of 1, 2, or 3) as issued by Moody's;		
(ii) Is total net worth (line 4) at least 6 times the site cost estimate (line 1)?		
(iii) Is tangible net worth (line 3) at least \$21 million?		
(iv) Are 90% of firms assets in US?		
If not, are the total assets in U.S. (line 9) at least 6 times the site cost estimate (line 1)?		