



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

August 11, 2025

Eric Burch, Closure Manager
Grants Reclamation Project
Homestake Mining Co. of CA
P.O. Box 98/Highway 605
Grants, NM 87020

SUBJECT: HOMESTAKE MINING COMPANY OF CALIFORNIA, GRANTS RECLAMATION PROJECT, 2025 ANNUAL SURETY UPDATE, AMENDMENT NUMBER 64 TO SOURCE MATERIALS LICENSE, SUA-1471, DOCKET NUMBER 40-8903

Dear Eric Burch:

Enclosed, please find the U.S. Nuclear Regulatory Commission's (NRC) Safety Evaluation Report (SER) for the Homestake Mining Company of California (HMC or the licensee) Grants Reclamation Project (GRP) 2025 financial surety update. Also enclosed is Amendment 64, to Source Materials License SUA-1471, which revises the amount of the surety to reflect the current cost estimate for decommissioning and reclamation for the GRP.

By letter dated March 25, 2025,¹ HMC submitted its annual financial surety update for the GRP, as required by Title 10 of the *Code of Federal Regulations* (10 CFR) 40.36, and 10 CFR Part 40, Appendix A, II. Financial Criteria, Criterion 9 and Criterion 10, and HMC also requested a revision of the financial surety amount in License Condition (LC) 28 of HMC's source materials license. The NRC staff has completed its review of the proposed 2025 surety for the GRP. The NRC has evaluated the detailed individual elements of the decommissioning and reclamation costs for the GRP and finds HMC's estimates to be comprehensive, reasonably derived, and appropriate. All the estimated decommissioning and reclamation costs will be adjusted to recognize any increase or decreases resulting from inflation, changes in engineering plans, activities performed, and any other conditions affecting costs as appropriate to meet the applicable regulations in 10 CFR Part 40, Appendix A, Criterion 9 and Criterion 10. HMC's 2025 surety is \$105,123,244.

Additionally, 10 CFR 40.36 allows for the use of a parent company guarantee (PCG) of funds for decommissioning costs based on a financial test if the requirements in 10 CFR Part 30, Appendix A, II. Financial Test, A.1 or A.2 and 10 CFR Part 30, Appendix A, III. Parent Company Guarantee are met. The NRC staff finds HMC established a financial assurance mechanism based on the requirements in 10 CFR Part 30, Appendix A, II and that the revised financial surety provides funds sufficient to cover the current estimated costs of decommissioning the facility. HMC's 2025 submission updating its surety includes a commitment by HMC to maintain

¹ Agencywide Documents Access and Management System (ADAMS) Accession No. [ML25087A079](#).

the amount of the NRC-approved cost estimates for the standby trust agreement (STA) in the trust fund. The submission includes a demonstration that HMC meets the financial test required in 10 CFR Part 30, Appendix A, II.A1 when using a PCG. Within the surety update, HMC provided the NRC with a finalized and updated version of the STA in the amount of \$105,123,244. The NRC staff will sign and finalize the STA upon approval of the surety amount in this SER. The NRC staff's findings are documented in the financial surety update SER (enclosed).

The NRC staff grants the requested Amendment 64 to Source Materials License SUA-1471. License Condition 28 is revised to require that HMC's surety shall be continuously maintained in an amount no less than \$105,123,244, until a replacement surety is authorized by the NRC. The modifications to LC 28 are provided as Amendment No. 64 to Source Materials License SUA -1471 (enclosed). During its environmental review, the NRC staff determined that the surety update is categorically excluded under 10 CFR 51.22(c)(10)(i).

If you have any questions regarding this letter or the enclosure, please contact Ms. Melanie C. Wong at (301) 415-2432 or by email to Melanie.Wong@nrc.gov.

Sincerely,



Signed by VonTill, Randolph
on 08/11/25

Bill Von Till, Chief
Uranium Recovery and Materials
Decommissioning Branch
Division of Decommissioning, Uranium Recovery
and Waste Programs
Office of Nuclear Materials Safety
and Safeguards

Docket No. 040-08903
License No. SUA-1471

Enclosures:

1. Safety Evaluation Report (Surety)
2. License Amendment No. 64
3. Categorical Exclusion Memorandum

cc: via Listserv
C. Dimond (NMED)
G. Swanson (OSE)
S. Appaji (EPA)
N. Olin (DOE)

SAFETY EVALUATION REPORT

DOCKET NO.: 040-08903

LICENSE NO.: SUA-1471

DATE: August 11, 2025

FACILITY: Homestake Mining Company of California

TECHNICAL REVIEWERS: Steve McCarthy

PROJECT MANAGER: Melanie Wong

SUMMARY AND CONCLUSIONS

By letter dated March 25, 2025¹ Homestake Mining Company of California (HMC or the licensee) submitted an annual update to its financial surety for the Grants Reclamation Project (GRP), as required by Title 10 of the *Code of Federal Regulations* (10 CFR) 40.36, and 10 CFR Part 40, Appendix A, II. Financial Criteria, Criterion 9 and Criterion 10. HMC also requests revision of the financial surety amount in License Condition (LC) 28 of HMC's Source Materials License SUA-1471. The licensee requested changes to LC 28 to reflect changes to the financial surety amount. The Nuclear Regulatory Commission (NRC) staff finds the HMC's annual 2025 surety update for the GRP, in the amount of \$105,123,244 is acceptable.

The NRC staff reviewed the information provided in the financial surety update, evaluated the surety estimate, and assessed whether the surety meets the financial test requirements in 10 CFR Part 40. The NRC staff finds that the decommissioning and reclamation activities are adequately described and reasonable cost estimates for each activity were provided. Appropriate cost estimates were also provided for contingencies and long-term maintenance and surveillance. The NRC staff finds that HMC's method of calculating its surety estimate, that of multiplying an inflationary factor based on the Consumer Price Index (CPI) and the NRC-approved 2024 surety estimate, demonstrates compliance with the requirements of 10 CFR Part 40, Appendix A, Criterion 9 and Criterion 10.

The updated surety amount includes a demonstration that it meets the financial test required in 10 CFR Part 30, Appendix A, when using a parent company guarantee (PCG). HMC provided the NRC staff with a finalized and updated version of the standby trust agreement (STA) in the annual updated surety submission in the amount of \$105,123,244 to replace the current STA held by NRC in the amount of \$102,559,262. Therefore, the financial surety and financial test for the current surety period is acceptable.

BACKGROUND

HMC, a subsidiary of Barrick Gold Corporation (Barrick), is the holder of NRC License No. SUA-1471 for its former conventional uranium mill near Grants, New Mexico, known as the GRP. The former uranium mill at the GRP was initially regulated under the Atomic Energy Act of 1954

¹ Agencywide Documents Access and Management System (ADAMS) Accession No. [ML25087A079](#).

(AEA) or NRC from 1958 through 1974. The State of New Mexico assumed regulatory authority for these licensed materials in 1974 through the Agreement State Program identified in Section 274 of the AEA. The State of New Mexico returned regulatory authority for licensed 11e.(2) Byproduct Material back to NRC in 1986.

The GRP ceased active uranium recovery operations in 1990. The GRP is currently under U.S. Environmental Protection Agency Superfund status and has a groundwater discharge permit from the State of New Mexico. Upon closure, the GRP will most likely be transferred to the U.S. Department of Energy for long-term care and maintenance.

REGULATORY REQUIREMENTS

HMC's license was issued under 10 CFR Part 40, "Domestic Licensing of Source Material." The regulations at 10 CFR 40.36 contain the requirements for providing financial assurance and recordkeeping for decommissioning the GRP. The regulations in 10 CFR 40.36(d)(1)(i)(A) require that the decommissioning plan provide a cost estimate that reflects the cost of an independent contractor to perform all decommissioning activities. The regulations in 10 CFR 40.36(e)(2) provide the requirements that a licensee must meet to use a PCG as the financial instrument. Additionally, 10 CFR Part 40, Appendix A, II. Financial Criteria, Criterion 9 requires the licensee to maintain an NRC-approved financial surety arrangement to cover estimated costs for decommissioning and decontamination activities. Criterion 9(e) provides that the Commission will review the surety mechanism annually to assure that sufficient funds would be available for completion of reclamation if the activities had to be performed by an independent contractor. LC 28 requires that the cost estimate be updated annually and that the annual surety update be submitted to the NRC by March 31.

In addition, 10 CFR 40, Appendix A, II. Financial Criteria, Criterion 10, requires that a minimum charge of \$250,000 (1978 dollars) must be paid by each mill operator to the general treasury or appropriate state agency, prior to uranium mill license termination, to account for costs associated with long-term surveillance.

10 CFR 40.36(e)(2) allows for the use of a PCG of funds for decommissioning costs based on a financial test if the guarantee and test are as contained in 10 CFR Part 30, Appendix A. Part 30 Appendix A, II. Financial Test requires licensees who use a PCG to demonstrate that the parent company can pass the required annual financial test. Appendix A, III. Parent Company Guarantee, Sections A and B also require that the terms of the PCG state it "will remain in force unless the guarantor sends notice of cancellation....[i]f the licensee fails to provide alternate financial assurance ... within 90 days after ... notice of cancellation ... the guarantor will provide alternative financial assurance that meets the provisions of the Commission's regulations."

In addition, 10 CFR Part 30, Appendix A, III. Parent Company Guarantee, Section C states "[t]he parent company guarantee and financial test provisions must remain in effect until the Commission has terminated the license, accepted in writing the parent company's alternate financial assurances, or accepted in writing the licensee's financial assurances." Part 30, Appendix A, III. Parent Company Guarantee, Section D states, "[a] standby trust ... must be established for decommissioning costs before the parent company guarantee agreement is submitted."

The NRC staff reviewed HMC's annual financial assurance update using the guidance in

NUREG-1620, Rev. 1, Appendix C, "Standard Review Plan for the Review of a Reclamation Plan for Mill Tailings Sites Under Title II of the Uranium Mill Tailings Radiation Control Act of 1978," dated June 2003.²

TECHNICAL EVALUATION

HMC Demonstrated the Sufficiency of the Cost Estimate

The HMC 2024 surety was last adjusted on February 12, 2025, in the amount of \$102,559,262.³ The 2025 HMC financial surety maintains the status quo of the previously approved surety amount with an increase for inflation. The NRC staff notes that there have been few changes at the site in the last three years, except for the shallow wells and the zeolite treatment system that were closed on the Large Tailings Pile (LTP).

HMC's surety submittal includes a request to amend its license to increase its surety amount from:

- 2024 Approved Financial Surety Amount: \$102,559,262
- Inflation rate of 1.025 (CPI-based) \$2,563,982= \$105,123,244 (2025)
- Proposed 2025 Adjusted Financial Surety Amount of \$105,123,244

This was based on a 1.71 percent increase in the consumer price index for all urban consumers (CPI-U) from the end of March 2024 (332.202) through the end of February 2025 (337.868). Staff checked the March 2024 and February 2025 CPI-U from https://data.bls.gov/timeseries/CUUR0400SA0?amp%253bdata_tool=XGtable&output_view=dat a&include_graphs=true. The staff performed the following calculation to confirm the licensee's inflationary factor is reasonable:

$$337.868 - 332.202 = 5.666$$

$$5.666 / 332.202 = .01705$$
$$.01705 \times 100 = \text{or } 1.71\%$$

The NRC staff evaluated the 2024 surety adjustment approved by the NRC staff on February 12, 2025, to determine whether an adjustment to increase the surety amount based solely on CPI-U was appropriate. The amount of surety liability (cost estimate) should be adjusted to recognize increases and decreases resulting from the factors outlined in 10 CFR 40 Appendix A, II. Financial Criteria, Criterion 9(f)(1-11). These factors are:

- Inflation;
- Changes in engineering plans;
- Activities performed;
- Spills, leakage or migration of radioactive material leading to additional contamination;
- Waste inventory increase above previous estimate;
- Waste disposal costs increasing above the amount previously estimated;
- Facility modifications;

² ADAMS Accession No. [ML032250190](#).

³ ADAMS Package Accession No. [ML25030A135](#).

- Changes in authorized possession limits;
- Actual remediation costs above previous cost estimate;
- Onsite disposal; and
- Any other conditions that affected the costs.

The NRC has noted that Criterion 9 of 10 CFR 40, Appendix A requires, in part, that “[t]he amount of surety liability should be adjusted to recognize any increase or decreases resulting from inflation, changes in engineering plans, activities performed, and any other conditions affecting costs.” Also, the licensee added 15 percent for contingencies and the costs for long-term surveillance fees based on \$250,000 (1978 dollars), as stipulated in 10 CFR Part 40, Appendix A, II. Financial Criteria, Criterion 10.⁴ Therefore, the NRC staff finds that the cost estimate is based upon third party costs, includes an adequate contingency factor of 15 percent, and accounts for long-term surveillance fees as required by 10 CFR 40.36 and 10 CFR Part 40, Appendix A, II. Financial Criteria, Criterion 9 and Criterion 10.

The NRC also finds the surety estimate meets Criterion 9 (f)(1-11) of 10 CFR Part 40, Appendix A, II. Financial Criteria, which states that the amount of surety liability should be adjusted to recognize the factors listed above.

HMC Demonstrated the Sufficiency of the Financial Test

Barrick, Homestake’s parent company, must satisfy the criteria in 10 CFR Part 30, Appendix A, II. Financial Test, A.1 or A.2, in order for HMC to qualify for use of a PCG. Homestake’s 2025 submission demonstrates compliance with 10 CFR Part 30, Appendix A, Section II.A. The financial test requires that the parent company, Barrick, must have:

- (i) Two of the following three ratios: A ratio of total liabilities to total net worth less than 2.0; a ratio of the sum of net income plus depreciation, depletion, and amortization to total liabilities greater than 0.1; and a ratio of current assets to current liabilities greater than 1.5; and
- (ii) Net working capital and tangible net worth at least six times the amount of decommissioning funds being assured by the PCG for all nuclear facilities or parts thereof (or prescribed amount if a certification is used); and
- (iii) Tangible net worth of at least \$21 million; and
- (iv) Assets located in the United States amounting to at least 90 percent of the total assets or at least six times current decommissioning cost estimates for the total of all facilities or parts thereof (or prescribed amount if a certification is used).

⁴ ADAMS Accession No. [ML25087A079](#).

Barrick's independently audited year-end financial statements as of December 31, 2024,⁵ state its total liabilities divided by its total net worth is less than 2.0 (\$14.3 billion / \$33.3 billion = 0.43). Moreover, its net income plus depreciation divided by total liabilities is greater than 0.1 (\$5.0 billion / \$14.3 billion = 0.35). Furthermore, its current assets divided by current liabilities is greater than 1.5 (\$7.6 billion / \$2.6 billion = 2.9).

Additionally, Barrick's net working capital of \$5.0 billion and tangible net worth of \$30.1 billion are greater than six times the total of all decommissioning funds being assured (\$105.1 million x 6 = \$630.6 million). Barrick's tangible net worth of \$30.1 billion exceeds the requirement of at least \$21 million. Homestake's total assets in the United States of \$17.3 billion is greater than six times the current decommissioning cost estimates for the total of all facilities of \$630.6 million.

HMC Demonstrated the Appropriateness of the Financial Instrument

Homestake's updated financial assurance instrument is a PCG. The PCG submission, which included language regarding the current decommissioning cost estimate amount, expressly stated that the PCG would remain in force unless cancelled and replaced with alternative financial assurance. The submission also stated that the PCG and financial test would stay effective until alternative financial assurance was approved by the NRC⁵. For these reasons, the NRC staff finds the PCG submission included all the elements of the financial test as set forth in 10 CFR Part 30, Appendix A, II.A.1.

Licensees using a PCG are required to have an STA in place, to meet 10 CFR Part 40, Appendix A, Criterion 9, which states, "[I]f a trust is not used, then a standby trust fund must be set up to receive funds in the event the Commission or State regulatory agency exercises its right to collect the surety." The purpose of an STA is to provide a separate account to hold decommissioning funds in the event of a default. Homestake currently has a STA in place to hold funds in the event of a default by the licensee in the amount of \$102,559,262.⁶ The HMC 2025 surety update submission includes a commitment by HMC to maintain the trust fund amount of \$105,123,244 for NRC-approved cost estimates for the STA. The NRC staff will sign and finalize the STA upon approval of the surety amount in this SER. For these reasons, the NRC staff finds that Homestake has established an acceptable financial assurance mechanism based on the requirements in 10 CFR Part 30, Appendix A.

Environmental Review:

A license amendment updating the amount of financial assurance belongs to a category of actions which the NRC has determined do not individually or cumulatively have a significant effect on the environment. Such actions qualify for a categorical exclusion under 10 CFR 51.22(c) and do not require an environmental assessment. Specifically, the NRC staff determined that the financial assurance (surety) update is categorically excluded from further environmental review under 10 CFR 51.22(c)(10)(i).

⁵ ADAMS Accession No. [ML25087A079](#). PricewaterhouseCoopers, Barrick's independent auditor, reviewed and verified these calculations and documented its findings in the March 11, 2025, "Agreed-Upon Procedures Report" submitted with HMC's 2025 Surety Package.

⁶ ADAMS Accession No. ML25079A100 (non-public).

CONCLUSION

The NRC staff has determined HMC's annual 2025 surety update for its site, in the amount of \$105,123,244, meets the applicable requirements at 10 CFR 40.36(d), 10 CFR Part 40, Appendix A, II. Financial Criteria, Criterion 9 and Criterion 10, and 10 CFR Part 30, Appendix A, II. Financial Test. A.1 and III., Parent Company Guarantee, and is reasonable because it applies a proper inflationary factor to the NRC-approved HMC 2024 surety estimate.

PROPOSED LICENSE AMENDMENT:

Revise LC 28 to change the required surety amount to read: \$105,123,244.

Homestake Mining Company of CA, Grants Reclamation Project, 2025 Annual Surety Update, NRC License Amendment 64, SUA-1471 DATE August 11, 2025

DISTRIBUTION:

ADAMS Accession No.: ML25189A219; Ltr ML25189A224

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