

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

In the Matter of:	:	Nanty Glo Mine #31, 1F70301
	:	Revloc/Behula Mine #32, 11841301
PRI Treatment Trust	:	Cambria Slope Mine #33, 11841301
ArcelorMittal USA, LLC	:	Mine #38D, 1171301
3020 Interstate Drive	:	Brookdale Mine #77, 1183201
Richfield, OH 44286	:	Mine #77 CRDA, 500129
	:	Windber Mine #78, 56841328
and	:	Mine #78 CRDA, 56743705
	:	Fawn Mine #91, 10841302
ArcelorMittal Pristine Resources, Inc.	:	Mine #91 CRDA, 10743701
P.O. Box 36	:	
Revloc, Pa 15948	:	

**SECOND AMENDMENT TO POST-MINING TREATMENT TRUST
CONSENT ORDER AND AGREEMENT**

This Second Amendment To Post-Mining Treatment Trust Consent Order and Agreement

(“Second Amendment”) is entered into this 3rd day of October, 2012, by and between the Commonwealth of Pennsylvania, Department of Environmental Protection (“Department”), ArcelorMittal USA, LLC (“ArcelorMittal”), f/k/a Mittal Steel USA, Inc., f/k/a International Steel Group, Inc. (“ISG”), and ArcelorMittal Pristine Resources, Inc. (“Pristine”), formerly known as Pristine Resources, Inc (“PRI”). This Second Amendment amends and modifies certain obligations and duties of the Department, ArcelorMittal and Pristine originally set forth in the Post-Mining Treatment Trust Consent Order and Agreement dated June 10, 2004 (“2004 CO&A”) between ISG, PRI and the Department (collectively, the “Parties”).

The Department has found and determined the following:

- A. Pursuant to the May 7, 2003 Consent Order and Agreement between the Department, ISG and PRI, Pristine became responsible for the perpetual post-mining water

treatment obligations associated with the seven (7) mines and three (3) CRDAs listed in the caption of this Second Amendment ("Mines" and "CRDAs").

B. Paragraph 7 of the 2004 CO&A required PRI to establish and fund the PRI Treatment Trust ("Trust") to cover the future costs of operating, maintaining, and replacing the treatment facilities ("Treatment Facilities") associated with the Mines and CRDAs and reclaiming the Treatment Facilities sites.

C. According to Paragraph 7 of the 2004 CO&A, the initial present value of the fully funded Trust was \$19,928,839. This amount was calculated based on the estimated future costs of operating and maintaining the Treatment Systems, PRI's implementation of the Operational Improvement Plan set forth in the 2004 CO&A and the estimated present value of the re-capitalization ("re-cap") and demolition costs associated with the Treatment Facilities.

D. Paragraph 8 of the 2004 CO&A set forth PRI's initial and ongoing payments to the Primary Trust Sub-Account and payments to the Capital Improvement Sub-Account. The payments consisted of annual payments of no less than \$1,000,000.00 and rolling three year average cash contributions to the Trust of no less than \$6,000,000.

E. Since execution of the 2004 CO&A, Pristine has made yearly payments into the Trust in compliance with Paragraph 8 of the CO&A. Further, Pristine has adhered to the payment schedule identified in the letter from the Department dated February 7, 2006.

F. At Annual Meetings since 2009, the Parties have discussed and re-evaluated various matters regarding Pristine's obligations and responsibilities under the 2004 CO&A including the following:

i. On February 15, 2006, the Department approved the transfer of the permits for Mine #78 and the Mine #78 CRDA from Pristine to Rosebud Mining Company

("Rosebud") following Pristine's sale of Mine #78 and Mine #78 CRDA to Rosebud and the posting of bond by Rosebud to secure its financial responsibility for the long term treatment of AMD discharges from Mine #78 and the Mine #78 CRDA and Rosebud's submittal of the bonds required by law for the surface reclamation of Mine #78 and the Mine #78 CRDA.

ii. Pristine has requested that the Department terminate Pristine's duties and obligations under the 2004 CO&A to treat AMD discharges from Mine #78 and the Mine #78 CRDA and to be financially responsible for the long term treatment of such discharges through the funding of the PRI Treatment Trust.

iii. Pristine's annual AMD treatment costs for the calendar years 2004 through 2010 exceeded estimated annual costs calculated in 2004 in part because Pristine did not fully implement the Operational Improvement Plan set-forth in the 2004 CO&A.

iv. The calculation of the initial present value of the fully funded Trust in 2004 omitted the present value of the estimated future cost of public liability insurance.

v. Paragraphs 17.b. and 17.c of the 2004 CO&A do not accurately state the terms and conditions by which PRI must maintain public liability coverage for the operation, maintenance, improvement of, and all other activities associated with the Treatment Facilities as required under Chapter 86 of the mining regulations, 25 PA Code Chapter 86.

G. The Parties reached agreement to amend the 2004 CO&A to address the above-referenced matters and to do the following:

i. Terminate Pristine's duties and obligations under the 2004 CO&A as they relate to the treatment of AMD discharges from Mine #78 and the Mine #78 CRDA and eliminate any treatment costs related to Mine #78 and the Mine #78 CRDA from the re-

calculation of the estimated present value of the fully funded PRI Treatment Trust as described below in G.ii.

ii. Re-calculate the present value of the fully funded Trust as of January 1 2011, taking into account Pristine's average annual water treatment costs over the past three years (2008 - 2010) and add into the calculation the present value of the future cost of public liability insurance.

iii. Memorialize the date of December 31, 2019, as the date by which PRI will complete the funding of the Trust and establish a schedule of annual contributions to the Trust by PRI for the years 2012 through 2017.

iv. Establish a schedule for additional annual contributions to the Trust by PRI beyond December 31, 2019, if additional contributions are necessary to complete the funding of the Trust

v. Modify Paragraph 17.b. to state the terms and conditions for Pristine's maintenance at all times of public liability insurance so that Paragraph 17.b. corresponds to the requirements for such insurance under Chapter 86 of the mining regulations, 25 PA Code Chapter 86, and delete Paragraph 17.c.

H. The Parties agree that as of January 1, 2011, \$43,591,781.47 represents the re-calculated present value of the fully funded Trust based on a Primary Target Valuation of \$41,914,364.59 (calculated based upon the average of three years of actual treatment costs for the years 2008, 2009 and 2010), a present value of recapitalization and demolition costs of \$700,529.98, and the present value of liability insurance of \$976,886.89. The Parties further recognize that the present value of the fully funded Trust is calculated based on the Primary Target Valuation which shall be adjusted and recalculated in the future at annual meetings based

upon the actual annual costs of operation and maintenance incurred by Pristine for the Treatment Facilities.

After full and complete negotiation of all matters set forth in this Second Amendment and upon it is hereby ORDERED by the Department and AGREED to by ArcelorMittal and Pristine as follows:

1. Authority. This Second Amendment is an Order of the Department authorized and issued pursuant to Sections 5 and 610 of the Clean Streams Law, 35 P.S. § 691.5 and 691.610; Section 4.3 of the Surface Mining Conservation and Reclamation Act, 52 P.S. § 1396.4c; Section 3.1 and 9 of the Coal Refuse Disposal Act, 52 P.S. §§ 30.53a and 30.59, and Section 1917-A of the Administrative Code, 71 P.S. §510.17.

2. Findings.

a. ArcelorMittal and Pristine agree that the findings in Paragraphs A through H of this Second Amendment are true and correct and, in any matter or proceeding involving ArcelorMittal, Pristine and the Department, ArcelorMittal and Pristine shall not challenge the accuracy or validity of these findings.

b. The Parties do not authorize any other persons to use the findings in this Second Amendment in any matter or proceeding.

3. As provided in Paragraph 25.b of the 2004 CO&A, the Department hereby terminates Pristine's duties and obligations related to the treatment of AMD discharges from Mine #78 and the Mine #78 CRDA and eliminates any treatment costs related to Mine #78 and the Mine #78 CRDA from the re-calculation of the estimated present value of the fully funded PRI Treatment Trust.

4. Paragraph 7 of the 2004 CO&A is revised and amended to include a new subsection 7.a.1 that reads as follows:

7.a.1. The recalculated present value of the fully funded amount of the Trust shall be \$43,591,781.47 as of January 1, 2011. This sum constitutes the present value of the estimated future operation and maintenance costs for the Treatment Facilities associated with Mines #31, #32, #33, #38D, #77, and #91 and the Mine #77 and Mine #91 CRDAs (calculated based upon the average of three years of actual treatment costs for the years 2008, 2009 and 2010), the recalculated present value of the estimated future recap and demolition costs related to such Treatment Facilities and the present value of the estimated future cost of public liability insurance.

5. Paragraph 8 of the 2004 CO&A is revised and amended to read as follows:

8.b. *Ongoing Payments to the Primary Trust Account.* In accordance with the below Schedule of Payments, for the years ending on December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015 and December 31, 2016, Pristine's minimum annual cash contribution to the Trust shall be no less than \$1,000,000.00 and Pristine's actual rolling three year average cash contribution to the Trust shall be no less than \$6,000,000.

On or before December 31, 2017, Pristine shall make a cash contribution to the Trust in the amount necessary to complete the funding of the Trust unless that amount exceeds \$3,000,000. If the amount necessary to complete the funding of the Trust by December 31, 2017, exceeds \$3,000,000, PRI shall contribute \$3,000,000 on or before December 31, 2017, and continue to make annual cash contributions to the Trust in the amount of \$3,000,000 for each consecutive year after 2017 until the trust is fully funded. If at any time a cash contribution of less than \$3,000,000 is necessary to complete the funding of the Trust, Pristine shall make the final cash payment to the Trust only in the amount necessary to fully fund the Trust.

SCHEDULE OF PAYMENTS

YEAR	MINIMUM ANNUAL PAYMENT
2011	\$1,000,000.00
2012	\$2,336,279.00
2013	\$2,663,721.00
2014	\$1,000,000.00
2015	\$2,336,279.00
2016	\$2,663,721.00
2017	\$3,000,000.00*

*Or amount less than \$3,000,000 necessary to complete funding of the Trust.

6. a. Paragraph 17.b. of the 2004 CO&A is amended to read as follows:

17.b. In addition to the requirements of Paragraph 17.a above, Pristine shall ensure that the public liability insurance policy is at all times consistent with the requirements of 25 Pa. Code § 86.168(a) - (f). Pursuant to the requirement set forth at 25 Pa. Code § 86.168(a) that a permittee submit proof which certifies that a public liability insurance policy is in force meeting the requirements of Chapter 86, Pristine shall submit such proof to the Department at the Annual Meeting described in Paragraph 18.

b. Paragraph 17.c. of the 2004 CO&A is deleted.

7. All other provisions of the 2004 CO&A remain unchanged

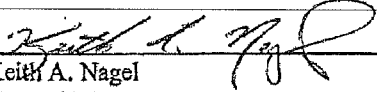
8. This Second Amendment may be executed in one or more counterparts, all of which will be considered one and the same instrument. Signatures transmitted by facsimile shall be deemed to be original signatures.

IN WITNESS WHEREOF, the Parties hereto have caused this Second Amendment To Post-Mining Treatment Trust Consent Order and Agreement to be executed by their duly authorized representatives. The undersigned representatives of ArcelorMittal and Pristine certify

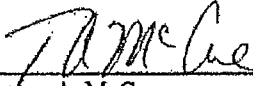
under penalty of law, as provided by 18 Pa. C.S. § 4904, that they are authorized to execute this Second Amendment To Post-Mining Treatment Trust Consent Order and Agreement on behalf of ArcelorMittal and Pristine; that ArcelorMittal and Pristine consent to the entry of this Second Amendment To Post-Mining Treatment Trust Consent Order and Agreement as a final ORDER of the Department; and that ArcelorMittal and Pristine hereby knowingly waive their rights to appeal this Second Amendment To Post-Mining Treatment Trust Consent Order and Agreement and to challenge its content or validity, which rights may be available under Section 4 of the Environmental Hearing Board Act, the Act of July 13, 1988, P.L. 530, No. 1988-94, 35 P.S. § 7514; the Administrative Agency Law, 2 Pa. C.S. § 103(a) and Chapters 5A and 7A; or any other provision of law. Signature by ArcelorMittal's and Pristine's attorney(s) certifies only that

the Second Amendment to Post-Mining Treatment Trust Consent Order and Agreement has been signed after consulting with counsel.

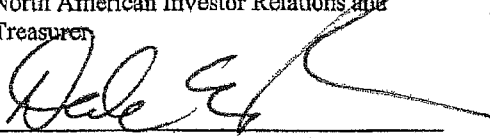
FOR ARCELORMITTAL USA LLC



Keith A. Nagel
General Manager
Environmental Affairs & Real Estate

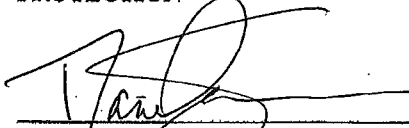


Thomas A. McCue
Vice President
North American Investor Relations and
Treasurer

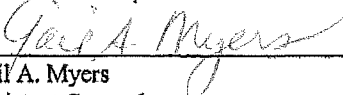


Attorney for ArcelorMittal USA,
LLC

**FOR THE COMMONWEALTH OF
PENNSYLVANIA, DEPARTMENT
OF ENVIRONMENTAL
PROTECTION**

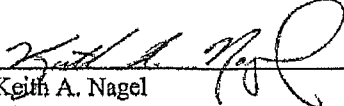


Daniel Sammarco, P.E.
District Mining Manager
Cambria District Mining Office




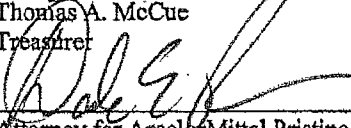
Gail A. Myers
Assistant Counsel

**FOR ARCELORMITTAL PRISTINE
RESOURCES, INC.**



Keith A. Nagel
Vice President
Environmental Affairs & Real Estate



Thomas A. McCue
Treasurer


Attorney for ArcelorMittal Pristine
Resources, Inc.