

PRELIMINARY FINDINGS OF FACT AND DECISION

Chickaloon Exploration Permit Application, File Number E-1101

1. The Division of Mining, Land and Water has reviewed the permit request submitted by Full Metal Minerals USA Inc. for the Chickaloon Coal Exploration Permit (E-1101) and makes the following Preliminary Findings of Fact and Decision in accordance with 11 AAC 90.165.
2. A new application for a Coal Exploration Permit, File No. E-1101 was filed with the Division of Mining, Land and Water on September 8, 2006. A preliminary review by staff determined that additional information was necessary. A complete application was submitted on October 27, 2006. The exploration permit application was sent out to DNR, Office of Habitat Management & Permitting (OHMP), DNR Office of Project Management & Permitting (OPMP), and US Army Corps of Engineers (ACOE) for review. A final review by staff on January 9, 2006 determined that no additional information was necessary.
3. Exploration activities under this application request the approval to drill up to 100 exploratory drill holes, and the excavation of shallow test pits. The number of test pits will be based on drilling results and the location of each will be supplied to DNR before work begins. The application contains all the information required by 11 AAC 90.163 and is sufficient for this office to make a decision.
4. Public notice of this application begins on January 12, 2007 and ends on February 12, 2007. Legal ads were placed in the Anchorage Daily News and the Mat-Su Valley Frontiersman. This notice was also sent to the Chickaloon and Sutton Post Office for public posting during the comment period. The notice was mailed directly to the Division's mailing list of affected persons and agencies.
5. The activities proposed in this application meet the requirements of AS 27.21.200 and 11 AAC 90.163, and 11 AAC 90.167
6. The approved permit area is not within an area designated unsuitable for mining under AS 27.21.260.
7. The proposed coal exploration activities will not affect threatened or endangered species or their critical habitat.
8. Pursuant to 11 AAC 90.167(b) the Division has determined that the reclamation bond in the amount of \$18,438.42 is sufficient to cover the associated reclamation costs.
9. Appropriate water use authorization must be acquired prior to withdrawing any water.
10. The application does not propose any stream crossing and will not place any drill hole or test pit within 100 feet of ordinary high water mark of streams.

11. The application does not propose any activities within the Alaska Coastal Zone boundary, defined as the 1000 foot contour adjacent to the Matanuska River.

12. Copies of the application and preliminary decision are available for review at the Alaska Department of Natural Resources, Division of Mining, Land and Water, 550 W. 7th Ave., Suite 900D, Anchorage, AK 99501-3577 or on our website at (www.dnr.state.ak.us/mlw/mining/index.htm). Comments should be sent to Russell Kirkham, at the address above or by Phone: (907) 269-8650; fax: (907) 269-8930; e-mail to russell_kirkham@dnr.state.ak.us. The deadline for comments is 4:30 p.m., February 12, 2007