

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION

### DIVISION OF WATER

#### Non-Point Source Pollution Water Control Program

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August 18, 2006

**Certified Mail 7006-0810-0000-8656-9080**

Mr. Douglas Nicholson  
Alaska Gold Company  
PO Box 640  
Nome, AK 99762

Subject: Rock Cr Alaska Gold Mine - **Amended**  
Reference No. POA-2006-742-4  
State ID No. AK 0605-05AA

Dear Mr. Nicholson:

In accordance with Section 401 of the Federal Clean Water Act of 1977 and provisions of the Alaska Water Quality Standards, the Department of Environmental Conservation is issuing the enclosed Certificate of Reasonable Assurance for development of a gold mine near Nome, Alaska. Number 5 is amended to allow tracked or wheeled vehicles to operate in the water during the fish enhancement work.

Department of Environmental Conservation regulations provide that any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.195 - 18 AAC 15.340 or an informal review by the Division Director in accordance with 18 AAC 15.185. Informal review requests must be delivered to the Director, Division of Water, 555 Cordova St., Anchorage, AK 99501, within 15 days of the permit decision. Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, 410 Willoughby Avenue, Suite 303, PO Box 111800, Juneau, AK 99811-1800, within 30 days of the permit decision. If a hearing is not requested within 30 days, the right to appeal is waived.

By copy of this letter we are advising the Corps of Engineers of our actions and enclosing a copy of the certification for their use.

Sincerely,

  
James Rypkeina  
Program Manager

Enclosure

cc: (with encl.)

Jim Wolfe, Corps of Engineers, Anch

Mac McLean, DNR/OHMP

F&WS

Charlotte MacCay, Bristol Environmental

Luke Boles, ADEC Fbks

EPA, AK Operations

William Ashton, ADEC Anchorage

Tom Crafford, DNR/OPMP Anch

**STATE OF ALASKA**  
**DEPARTMENT OF ENVIRONMENTAL CONSERVATION**  
**CERTIFICATE OF REASONABLE ASSURANCE**

A Certificate of Reasonable Assurance, in accordance with Section 401 of the Federal Clean Water Act and the Alaska Water Quality Standards, is issued to Alaska Gold Company, PO Box 640, Nome, AK 99762 to explore and mine for gold resources. The Rock Creek Mine Project is comprised of two open pit mines, the Rock Creek Mine/Mill Complex located north of Nome in the Snake River watershed and the Big Hurrah Mine located east of Nome in the Solomon River watershed.

The Rock Creek Mine/Mill Complex would consist of a 50 acre open pit gold mine, two non-acid generating development rock stockpiles, a gold recovery plant and a paste tailings storage facility. The process plant site area would include a three stage crushing and screening plant, a crushed ore stockpile, a mill facility, a maintenance shop, an administration and mine dry building, warehouse, explosive storage and fuel storage. The North Development Rock Dump area would contain approximately 4,230,000 cubic yards (cy) of fill in 119 acres of wetlands. The South Development Rock Dump would not be located in wetlands. Three Organic Overburden Stockpile Areas would contain 2,278,450 cy of fill in 57.5 acres of wetlands. The site Stormwater diversion channels would be constructed in 23 acres of wetlands with approximately 131,449 cy of fill. The Class V Injection System-Wells would be constructed in 7.5 acres of wetlands with approximately 32,700 cy of fill. The Class V Injection System- Infiltration Gallery would be constructed in 8.5 acres of wetlands with 60,000 cy of fill. The Tailings Storage Facility would be constructed in 94 acres of wetlands and contain 6,212,765 cy of fill and be used to store mill tailings and act as a Stormwater runoff buffer. The access road and on-site haul roads would be constructed in 49.5 acres of wetlands with 510,101 cy of fill material. The Infiltration Zone Access Roads would be constructed in 6 acres of wetlands with 45,778 cy of fill material. The Plant Area would be constructed in 44.5 acres of wetlands with 117,716 cy of fill material.

The Big Hurrah Mine facilities would include a 22 acre main pit and a 3 acre satellite pit, a non-acid generating development rock stockpile, a temporary potentially acid generating development rock stockpile that would be backfilled into the pit at closure, a run-of-mine ore stockpile, a truck maintenance shop, a small administration and mine dry building, explosive storage and diesel fuel storage. The On-Site Access Road/Haul Roads would be constructed in 5 acres of wetlands with 78,477 cy of fill material.

The proposed Rock Creek project is located in Sections 14, 15, and 22-26 T. 10 S., R. 34 W., Kateel River Meridian, approximately 7 miles northwest of Nome, Alaska. The proposed Big Hurrah project is located in Sections 2-5, 10 and 11, T. 10 S., R. 28 W., Kateel River Meridian, approximately 50 miles northeast of Nome, Alaska.

Public notice of the application for this certification was given as required by 18 AAC 15.180.

Water Quality Certification is required under Section 401 because the proposed activity will be authorized by a Corps of Engineers permit, reference number POA-2006-742-4, and a discharge may result from the proposed activity.

Having reviewed the application and comments received in response to the public notice, the Alaska Department of Environmental Conservation certifies that there is reasonable assurance that the proposed activity, as well as any discharge which may result, will comply with applicable provisions of Section 401 of the Clean Water Act and the Alaska Water Quality Standards, 18 AAC 70, provided that the following alternative measures are adhered to.

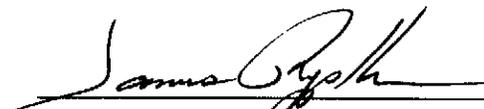
1. Petrochemical and other hazardous substance spill cleanup equipment shall be available on site. Cleanup materials such as sorbent pads and drip pans shall be available and used immediately to contain and cleanup oil, fuel, hydraulic fluid, antifreeze or other pollutant spills as a result of construction activities.
2. Reasonable precautions and controls must be used to prevent incidental and accidental discharge of petroleum products. Fuel storage and handling activities for earth moving equipment must be sited and conducted so there is no petroleum contamination of surface runoff and water bodies.
3. Dredged or fill material shall be placed so that it is stable, meaning after placement the material does not show signs of excessive erosion. Indicators of excess erosion include: gullyng, head cutting, caving, block slippage, material sloughing, etc. Material shall not leach harmful or toxic substances into streams or wetlands.
4. All surface runoff from areas disturbed during the stripping of overburden or moving of existing overburden piles shall be diverted to existing mine cuts or stabilized areas, such as settling ponds, using berms, diversion channels, or brush barriers. Surface runoff containing sediment from disturbed areas shall not be discharged without treatment into any water body. All soil disturbing construction operations that would increase turbidity of surface waters to levels that would violate Alaska Water Quality Standards shall be temporarily suspended if on-site monitoring demonstrates said violations.

5. During the work on the fish enhancement/material site development, construction equipment shall not be operated below the ordinary high water mark if equipment is leaking fuel, oil, hydraulic fluid, or any other hazardous material. Equipment shall be inspected on a daily basis for leaks. If leaks are found the equipment shall not be used and pulled from service until the leak is repaired.
6. For culverts which carry waters that are discharging or will discharge into fish-bearing waters, installation shall not occur within the flowing waters of the stream. Culvert installation techniques such as stream diversion, dam and pump, or stream fluming shall be incorporated into the installation activity to insure that silt laden water is not carried into sensitive fish habitat.
7. Any disturbance in the stream banks or streambed areas shall be stabilized to prevent erosion and resultant sedimentation of the water body during and after operations. Any disturbed areas shall be re-contoured and revegetated as soon as practicable.
8. Monitoring of the adequacy and effectiveness of Stormwater Management Best Management Practices (BMP) shall be conducted and reported with the weekly visual monitoring required in the Waste Management Permit 2003-DB0051, Section 1.8 (Monitoring). If a BMP is not working properly (such as there is sediment runoff) corrective measures shall be implemented as soon as practicable.
9. Prior to removal of new overburden and prior to placement of fill, a silt fence or similar structure shall be installed on a line parallel to and within 5 feet of the toe of slope for the overburden and spoils within all wetland areas containing standing water connected to a water body or where the toe of slope is within 25 feet of a water body. The structure shall remain in place until the fill has been fully stabilized, contained in another manner, or used for reclamation of the mine site.
10. Silt and sediment from the site excavation and fill materials may not enter wetlands or waters outside the necessary working area. Site preparation, excavation, fill placement, and construction activities must be conducted to prevent, minimize and contain the generation of silt and sediment that could be carried off-site by surface runoff. If silt and sediment are evident in standing or flowing water outside the excavation and fill area, Alaska Gold Company, or its contractors, shall apply appropriate control and containment measures. These measures may include fabric fences, straw bales, other effective filters, matting, settling ponds, or avoiding work during heavy precipitation.

11. A minimum 50 foot wide, vegetated buffer zone should be maintained between a snow storage area and any surface water bodies. This distance could be decreased if adequate stormwater/sediment catchment basins, coarse gravel berms, or sediment traps/barriers/filters are built to reduce impacts on surface water bodies from snowmelt that may potentially run off from these sites.
12. Accumulated trash and debris need to be removed from the snow storage area in the spring as they become visible when the snow melts. This may need to be done several times over the course of the summer as the snow pile continues to melt. Wastes and litter that become uncovered as the snow melts need to be picked up before off-site migration of the waste becomes a problem.
13. Natural drainage patterns must be maintained, to the extent practicable, without introducing ponding or drying. Control of drainage must be provided by appropriate ditching, culverts, and other measures. Drainage ways must be vegetated to help control the transport of fine sediments.
14. Organic overburden soil stockpiles shall be stabilized as soon as practicable after placement to minimize erosion, sediment runoff or dust generation.
15. At permanent closure of the mill process at Rock Creek the organic overburden soil stockpiles (# 1, 2, and 3) shall be revegetated after the soil is removed for the soil cover system installed on the Tailings Storage Facility and any other reclamation required for closure.
16. Capping of the development rock dumps with topsoil/organics and revegetation, or other state approved mitigation measures, shall be required at or after mine closure on the North or South Development Dump if the water quality criteria are not met in the surface water monitoring points LNDC or LSDC or seep monitoring points described in the Monitoring Plan submitted May 31, 2006 by Alaska Gold Company, Inc. The applicant shall address this potential requirement in the updated reclamation and monitoring plans submitted in accordance with the Waste Management Permit 2003-DB0051, Section 1.12 (Permanent Closure).

This certification expires five (5) years after the date the certification is signed. If your project is not completed by then and work under Corps of Engineers Permit will continue, you must submit an application for renewal of this certification no later than 30 days before the expiration date (18AAC15.100).

Date 18 August 2006



James Rypken  
Program Manager