



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF MINING, LAND & WATER
Mining Section

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April 5, 2015

Jennifer Pyecha
Senior Environmental Engineer
Fairbanks Gold Mining, Inc.
PO Box 73726
Fairbanks, AK 99707-3726

Subject: Fort Knox Mine Plan of Operations, 2015 Heap Leach Organics Stockpile Location and Trail Reroute - Amendment Approval F20149852POO.3

Dear Ms. Pyecha,

On March 24, 2015 the Division of Mining, Land and Water (DMLW) received correspondence from Fairbanks Gold Mining, Inc. (FGMI), requesting approval to amend the *Fort Knox Mine Plan of Operations Amendment Approval F20149852POO* (POO) for development of an organics stockpile. The proposed location will tie into the existing organics stockpile "Dump #4", which has reached maximum capacity. The newly proposed location (identified as "Dump #5") will accommodate an additional 135,000 cubic yards (cy) of organic material. It is expected that 44,000 cy of organic material will be stockpiled in this proposed location prior to starting the 2015 Stage 5 heap leach construction. Additionally, this proposed stockpile will remove a portion of an existing trail. FGMI has worked with trail users to identify a new proposed trail connection. This new trail connection will be constructed utilizing an IronWolf tree mulcher.

The DMLW has reviewed the proposed amendment and consulted with DMLW – Lands Section and it was determined that the trail is not a qualified RS2477 and not covered by a finalized easement. The DMLW – Lands Section had no objections to the relocation as it still allows access for trail users.

The requested amendment to the POO as proposed and illustrated in your March 24, 2015 submission is hereby approved as *Fort Knox Mine Plan of Operations Amendment Approval F20149852POO.3*. Nothing in this decision changes the conditions of the original POO Approval dated March 28, 2014. The associated disturbance of the stockpile must be accounted for in the next update to the Reclamation and Closure Plan and in the closure cost estimate.

Please be advised that this authorization does not eliminate the potential need for authorization of your activity from other Federal, State or local divisions or agencies.

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC .2.040(c) and (d) and may be mailed or delivered to Mark Myers, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska, 99501;

faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

If you have any questions regarding this approval, please contact Brent Martellaro at 907-451-2788.

Sincerely,



Scott Pexton
Mining Section Chief

cc via email: Bartly Kleven, FGMI Mark Huffington, FGMI
 Brent Martellaro, ADNR Stephanie Lovell, ADNR
 Carolyn Curley, ADNR Kyle Moselle, ADNR
 Jeanne Proulx, ADNR Bruce Sackinger, ADNR
 Tim Pilon, ADEC Pete McGee, ADEC
 Jack Winters, ADF&G Ellen Lyons, USACE