



THE STATE
of **ALASKA**

GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

DIVISION OF MINING, LAND & WATER
Mining Section

550 West 7th Avenue, Suite 900B

Anchorage, Alaska 99501-3577

Minerals Property Management Main: 907.269.8642

Fax: 907.269.8949

Coal Regulatory/Abandoned Mine Lands Main: 907.269.8631

Fax: 907.269.8930

TDD: 907.269.8411

December 18, 2018

Mark Huffington
Environmental Superintendent
Fairbanks Gold Mining, Inc.
PO Box 73726
Fairbanks, AK 99709-3726

**Subject: Fort Knox Mine Plan of Operations Amendment 13 Approval
F20149852POOA.13 for Additional Acres of Disturbance associated with the
Phase 10 Expansion and the Phase 1 Causeway**

Dear Mr. Huffington:

On December 12, 2018, the Division of Mining, Land, and Water (DMLW) received two separate correspondences from Fairbanks Gold Mining, Inc. (FGMI) dated December 12, 2018, requesting approval to amend the *Fort Knox Mine Plan of Operations Amendment Approval F20149852POO (POOA)* for additional acreage to be disturbed to support Phase 10 expansion and for clearing & grubbing along the north side of the Tailings Storage Facility (TSF) in order to relocate the existing road and pipeline associated with the plans for the Phase 1 Causeway and eventual placement of tailings.

The DMLW understands the Phase 10 request includes the potential to clear and grub a combined total of 38.62 acres and the Phase 1 causeway request includes the potential to clear and grub a combined total of 63.5 acres, and that FGMI will stockpile all organic material for future reclamation.

The DMLW Mining section has reviewed the proposed amendments. The Alaska Departments of Environmental Conservation (ADEC) and Fish & Game (ADF&G) have been notified and no objections to the proposed amendments have been submitted.

The requested amendments to the POOA as proposed and illustrated in the submissions dated December 12, 2018 are hereby approved as *Fort Knox Mine Plan of Operations Amendment Approval F20149852POOA.13 (POOA)*. Nothing in this decision changes the conditions of the original POO Approval and the original RCP Approval dated March 28, 2014. These changes should be

accounted for in the next update to the Plan of Operations, the Reclamation and Closure Plan, and 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. Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(6), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b). Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the 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,



Steve Buckley
Mining Section Chief

Enclosure: Copy of FGMI's December 12, 2018 amendment requests

Cc via email: Mark Huffington, FGMI	Bartly Kleven, FGMI
Brent Martellaro, ADNR	Kindra Geis, ADNR
Carolyn Curley, ADNR	William Groom, DNR
Kyle Moselle, ADNR	David Schade, ADNR
Charles Cobb, ADNR	Tim Pilon, ADEC
Audra Brase, ADF&G	Ellen Lyons, USACE

Delivery: kyle.moselle@alaska.gov

December 12, 2018

Kyle Moselle
Department of Natural Resources
Office of Project Management and Permitting
400 Willoughby Street
Juneau, AK 99801-01019

Re: FGMI Phase 1 Causeway Clearing and Grubbing

Dear Mr. Moselle:

Fairbanks Gold Mining, Inc. (FGMI) is requesting an amendment to the Plan of Operations for the Fort Knox Gold Mine. FGMI proposes to clear and grub land for relocation of the existing road and pipelines on the north side of the Tailings Storage Facility (TSF) from the Barge Pond to the Walter Creek Heap Leach Facility (see attached figure).

A 0.06-acre wetland (see attached figures) will be mitigated under the US Army Corps of Engineers (ACOE) Nation Wide Permit #44. The ACOE Preconstruction Notification was submitted to the ACOE on November 30, 2018. Clearing and grubbing activities will not begin at the wetland location until mitigation approval is received from the ACOE.

The amendment is needed for the construction of the Phase 1 Causeway at its north abutment and placement of tailings upstream of the causeway.

Should you have any questions, please contact me at 970-490-2287 or mark.huffington@kinross.com.

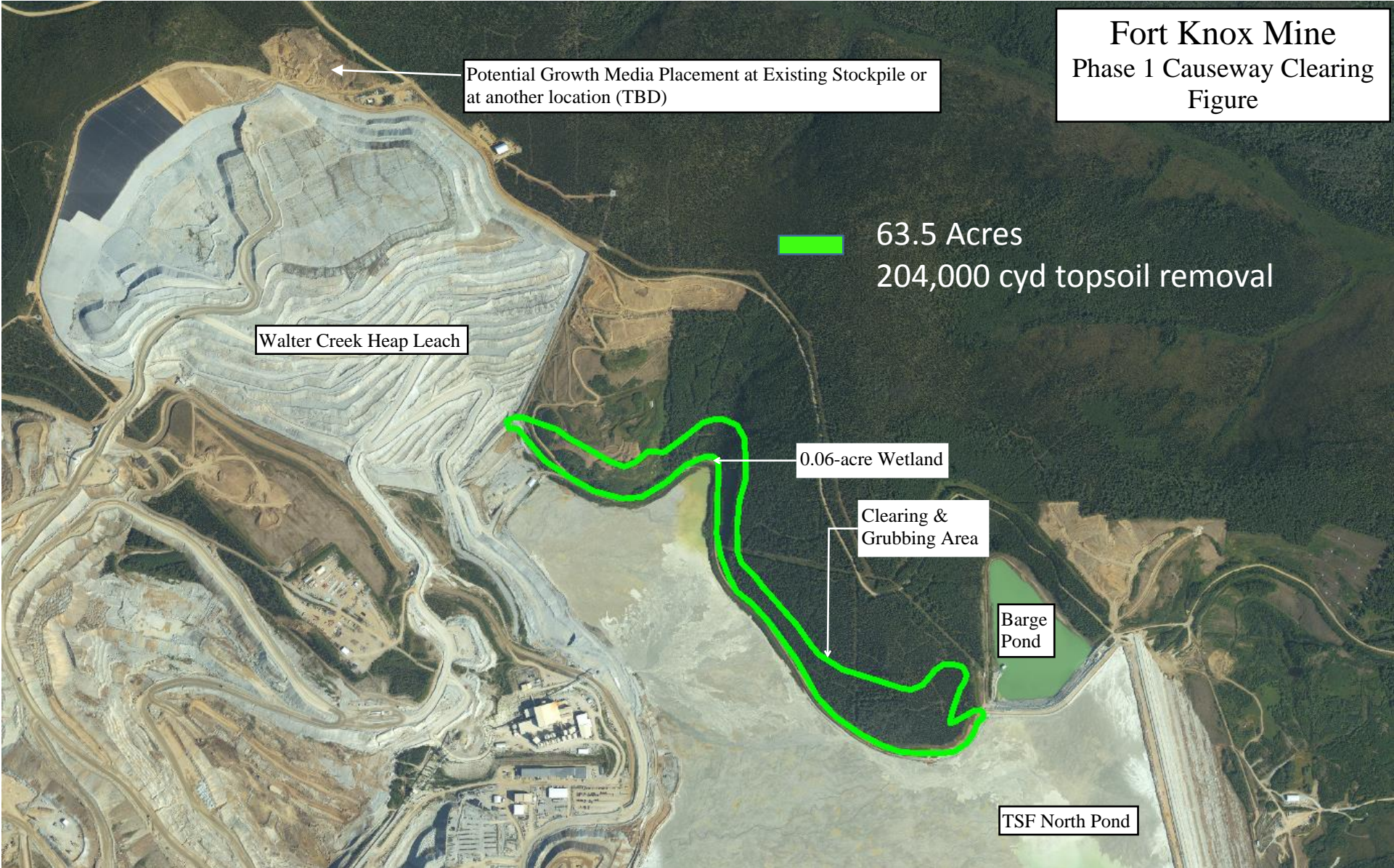
Sincerely,



Mark A. Huffington
Environmental Superintendent

Cc: Brent Martellaro, ADNR, brent.martellaro@alaska.gov
Tim Pilon, ADEC, tim.pilon@alaska.gov
Bartly Kleven, FGMI, bartly.kleven@kinross.com
Craig Natrop, FGMI, craig.natrop@kinross.com

**Fort Knox Mine
Phase 1 Causeway Clearing
Figure**



Potential Growth Media Placement at Existing Stockpile or at another location (TBD)

Walter Creek Heap Leach

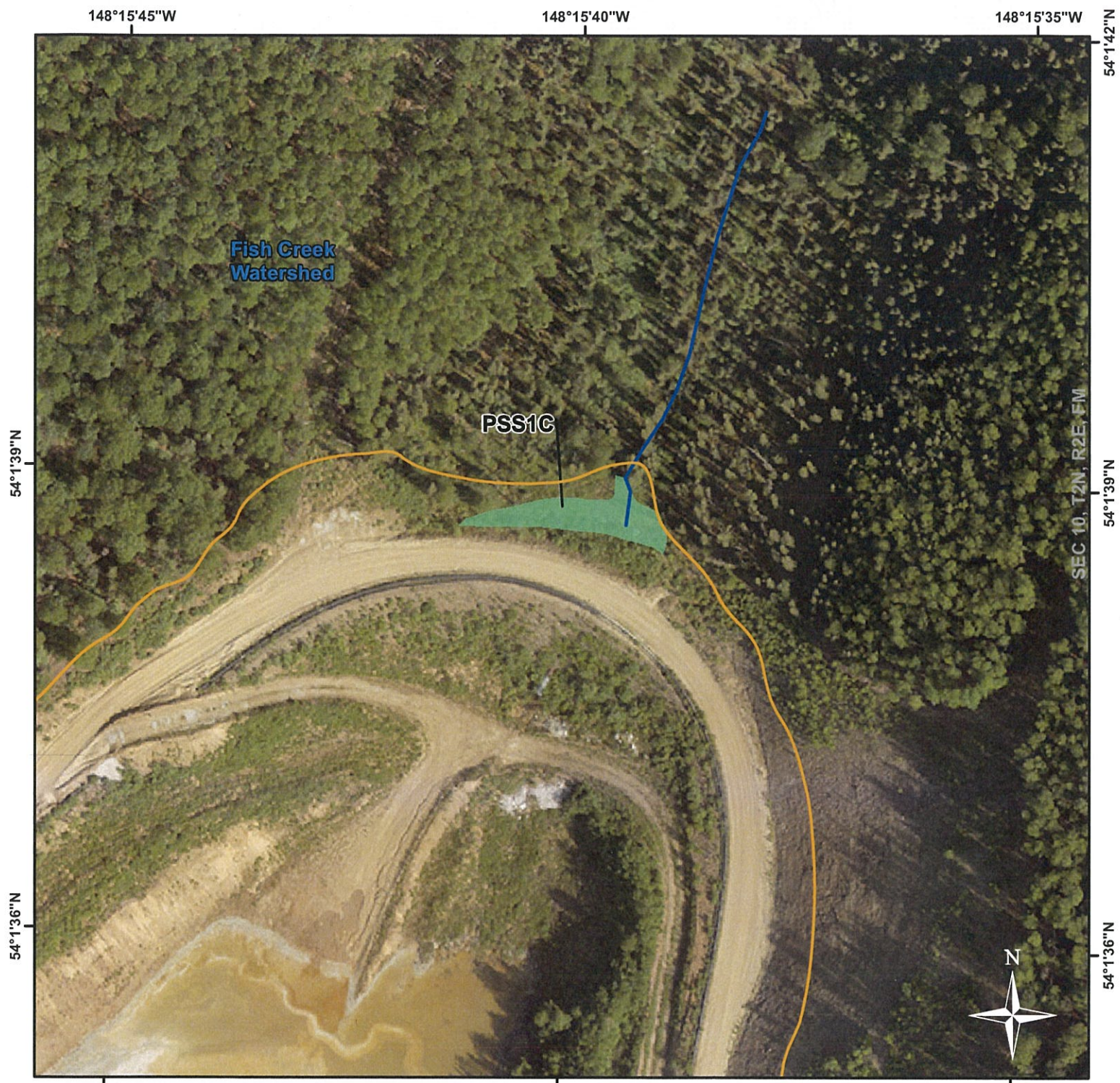
63.5 Acres
204,000 cyd topsoil removal

0.06-acre Wetland

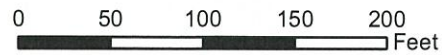
Clearing &
Grubbing Area

Barge Pond

TSF North Pond



- Stream
- Wetland
- Potential Flooded Area



**Applicant: Fort Knox
Nationwide Permit 44**

Waterway: Fish Creek

Proposed Activity: WOUS Fill

Date: 11/28/2018

Figure 1

Delivery: kyle.moselle@alaska.gov

December 12, 2018

Kyle Moselle
Department of Natural Resources
Office of Project Management and Permitting
400 Willoughby Street
Juneau, AK 99801-01019

Re: FGMI Phase 10 Pit Expansion

Dear Mr. Moselle:

Fairbanks Gold Mining, Inc. (FGMI) is requesting an amendment to the Plan of Operations for the Fort Knox Gold Mine. FGMI proposes to expand the pit with the Phase 10 pit expansion.

This submittal includes the *Fort Knox Mine Plan of Operations Amendment Request, Phase 10 Pit Expansion, December 12, 2018* document.

Should you have any questions, please contact me at 970-490-2287 or mark.huffington@kinross.com.

Sincerely,



Mark A. Huffington
Environmental Superintendent

Cc: Brent Martellaro, ADNR, brent.martellaro@alaska.gov
Tim Pilon, ADEC, tim.pilon@alaska.gov
Bartly Kleven, FGMI, bartly.kleven@kinross.com
Craig Natrop, FGMI, craig.natrop@kinross.com

Fort Knox Mine Plan of Operations Amendment Request



Phase 10 Pit Expansion

December 12, 2018

Table of Contents

1.0 INTRODUCTION	1
1.1 Site Description	1
2.0 PHASE 10 PIT EXPANSION	2
2.1 Reclamation	2
2.2 Wetlands	3
3.0 REFERENCES	3

Figures

Figure 1: Site Location	1
Figure 2: Mine Facilities.....	2

Tables

Table 1: Phase 10 Pit Expansion Quantities	2
--	---

Attachments

1. Fort Knox Mine with Parcel G Boundary
2. Phase 10 Pit Expansion

Abbreviations

amsl	above mean sea level
BCHLF	Barnes Creek Heap Leach Facility
BCWRD	Barnes Creek Waste Rock Dump
cy	cubic yard
DEC	Alaska Department of Environmental Conservation
DNR	Alaska Department of Natural Resources
FEMA	Federal Emergency Management Agency
ft	feet
ft ²	square feet
FGMI	Fairbanks Gold Mining, Inc.
Fort Knox	Fort Knox Mine
gpm	gallons per minute
H	horizontal
hr	hour
lb/cf	pounds per cubic feet
LCRS	leachate collection and recovery system
M	million
Mt	million tons
PCMS	process component monitoring system
PFS	prefeasibility study
TSF	tailings storage facility
V	vertical
WCHLF	Walter Creek Heap Leach Facility
WRD	waste rock dump
YPWRD	Yellow Pup Waste Rock Dump
yr	year

1.0 INTRODUCTION

Fairbanks Gold Mining, Inc. (FGMI) is requesting a Plan of Operations amendment approval at its Fort Knox Mine (Fort Knox) for the Phase 10 expansion of the Fort Knox pit. The proposed Phase 10 expansion is located on property known as Parcel G.

1.1 Site Description

Fort Knox is owned and operated by FGMI, a wholly owned subsidiary of Kinross Gold USA, Inc. Fort Knox is located in the Fairbanks North Star Borough, approximately 26-road miles northeast of Fairbanks, Alaska (Figure 1). It is located along a belt of lode and placer deposits that comprise one of the highest gold-producing areas in Alaska. The deposit at Fort Knox is mined by conventional open-pit methods on a year-round basis, seven days per week. Fort Knox processes ore onsite at a carbon in-pulp mill with a daily capacity of up to 45,000 tons. In recent years, Fort Knox has produced approximately 350,000 to 400,000 ounces of gold annually. Major site facilities include the active open pit mine, mill, tailings storage facility (TSF), waste rock dumps, water storage reservoir, and the Walter Creek Valley Heap Leach Facility (Figure 2).

Figure 1: Site Location



Figure 2: Mine Facilities



2.0 PHASE 10 PIT EXPANSION

FGMI proposes to expand the Fort Knox mine pit to the area known as Phase 10. The proposed Phase 10 expansion is located on property known as Parcel G (Attachments 1 and 2).

The proposed expansion includes approximately 262.7 million tons of rock of which 116.7 million tons is ore for processing and 146 million tons is waste rock. The proposed Phase 10 expansion disturbance is approximately 38.62 acres (Attachment 2).

Table 1 – Phase 10 Pit Expansion Quantities

Facility	Ore Processing (million tons)	Waste Rock (million tons)
Mill		
Walter Creek Heap Leach		
Barnes Creek Heap Leach	116.7	
Barnes Creek Waste Rock Dump		
Yellow Pup Waste Rock Dump		131
In-Pit Waste Rock Dump		15

2.1 Reclamation

Reclamation of the Phase 10 Pit Expansion will be included in the next Fairbanks Gold Mining, Inc., Reclamation Plan and Closure Plan update scheduled for submittal February 28, 2019.

2.2 Wetlands

A wetlands delineation was performed by Michael Baker International in 2015 for Parcel G. A 0.97-acre wetland was identified in the Phase 10 pit expansion area. The wetland has been mitigated and authorized for discharge of fill material in accordance with US Army Corps of Engineers POA-1992-574-M27, Fish Creek permit amendment.

3.0 REFERENCES

Michael Baker International, 2015, *Preliminary Jurisdictional Determination and Functional Assessment Report. Fort Knox Gold Mine Gilmore Exploration Area*, December 23, 2015.

US Army Corps of Engineers, *POA-1992-574-M27, Fish Creek*, November 1, 2018.



Site Overview	Date: 09-18-17
KINROSS Fort Knox	Author: TMT

FORT KNOX MINE Phase 10 Expansion

