

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING AND WATER MANAGEMENT

DAM SAFETY AND CONSTRUCTION UNIT



Certificate of Approval to Construct a Dam

The **State of Alaska** under AS 46.17, and the regulations adopted under this statute, grants to:

Fairbanks Gold Mining, Inc

The approval to construct the following structure on **Walter Creek** in accordance with the terms and conditions contained in this certificate:

Walter Creek Heap Leach Pad Dam (NID ID#AK00310)

The location of this project is: T2N, R2E, S10,11,14, & 15 Fairbanks Meridian

The holder of this certificate shall:

- Construct the dam and appurtenance works in accordance with the construction documents approved by the Department concurrent with this certificate and listed in Attachment A.
- Except for claims or losses arising from the negligence of the State, defend and indemnify the State against, and hold it harmless from any and all claims, demands, legal actions, loss, liability and expense for injury or death of persons, and damages to or loss of property, arising out of or connected with the exercise of the approval granted by this certificate.
- Comply with all applicable laws, regulations and conditions.
- Allow representatives of the Department to inspect the work and records covered by this certificate at all times determined necessary by the Commissioner.
- Follow special conditions that apply to the construction and operation of this dam as found in Attachment B, attached hereto and made a part hereof.

CERTIFICATE OF APPROVAL TO CONSTRUCT A DAM
Walter Creek Heap Leach Pad Dam

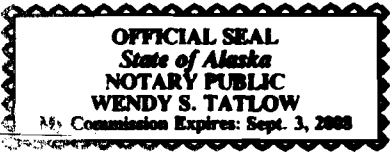
This *Certificate of Approval to Construct a Dam* is granted subject to the pertinent statutory provisions in AS 46.17 and the Administrative Regulations in Article 3 of 11 AAC 93.

APPROVED BY: Charles F. Cobb
TITLE: State Dam Safety Engineer
Division of Mining, Land and Water
SIGNATURE: *Charles F. Cobb*
DATE: *July 3, 2007*

State of Alaska)
) SS.
Third Judicial District)

This is to certify that on *July 3*, 2007, before me appeared Charles F. Cobb, known by me to be the Director or Authorized Representative of the Dam Safety and Construction Unit of the Division of Mining, Land and Water, Alaska Department of Natural Resources, and acknowledged to me that this Certificate of Approval was voluntarily executed on behalf of the State of Alaska.

W. Tatlow
Notary Public in and for the State of Alaska
My Commission expires: *September 3, 2008*



CERTIFICATE OF APPROVAL TO CONSTRUCT A DAM
Walter Creek Heap Leach Pad Dam

Attachment A – Approved Construction Documents

DRAWINGS

Fairbanks Gold Mining Inc. Fort Knox Project
Walter Creek Valley Heap Leach Facility
Construction Package Drawings
Issued for Construction
69 drawings listed on cover sheet and index dated March 27, 2007

SPECIFICATIONS

Fairbanks Gold Mining Inc. Fort Knox Project
Walter Creek Valley Heap Leach Facility

Technical Specifications for Earthwork, Pipework and Concrete Construction
Issued for Construction dated March 27, 2007

Technical Specifications for Geosynthetics
Issued for Construction dated March 27, 2007

CONSTRUCTION QUALITY ASSURANCE/QUALITY CONTROL

Fairbanks Gold Mining Inc. Fort Knox Project
Walter Creek Valley Heap Leach Facility
CQA/QC Manual
Issued for Construction dated March 27, 2007

End of Attachment A

CERTIFICATE OF APPROVAL TO CONSTRUCT A DAM
Walter Creek Heap Leach Pad Dam

Attachment B – Special Conditions

1. This certificate approves the construction of the Walter Creek Heap Leach Pad Dam to a crest elevation not to exceed approximately 1653 feet as indicated in the drawings listed in Attachment A.
2. After construction is complete, the Walter Creek Heap Leach Pad Dam is to be operated in accordance with the requirements of Article 3 of 11 AAC 93 as a Class III (low) hazard potential classification dam as defined in 11 AAC 93.157, under the condition that the minimum allowable freeboard of the Fort Knox Tailings Dam is increased to include the total capacity of the in-heap storage pond. Otherwise, the Walter Creek Heap Leach Pad Dam must be operated as a Class II (significant) hazard potential dam.
3. Before 2 weeks prior to beginning foundation excavation, submit to the Department a schedule for construction that includes all major components of the dam and appurtenances including excavation, grading, fill, drain and pipe installation, geosynthetic materials, and spillways, as well as mandatory inspection points that must be completed before additional construction occurs. Submit a revised construction schedule for any substantial deviations from the schedule previously submitted to the Department.
4. All work associated with the construction of the dam and appurtenances must be observed and inspected in accordance with the project construction quality assurance/quality control plan by an engineer qualified in accordance with 11 AAC 93.193(c), for compliance with the approved plans, drawings and specifications, and for developing the construction completion report required under Special Condition 9.
5. If any conditions are encountered which require substantial deviations or change in the design from the approved drawings and specifications, the deviation or change must be approved in writing by the design engineer. Any changes that could affect the safety of the dam must be approved in writing by the Department before implementing the deviation or change.
6. The foundation area under the dam shall be inspected and approved by a qualified professional geologist or geological engineer after the overburden is removed, and prior to the placement of any fill or geosynthetic materials. A geologic map containing bedrock types, fractures, faults, and other pertinent information must be certified by the professional geologist or geological engineer and included in the construction completion report.
7. An electric leak location survey must be performed on the secondary geomembrane over the entire area covered by the aggregate drainage layer for the leachate collection and recovery system, after the full thickness of the drainage layer is installed.
8. The subgrade in the area above the in-heap storage pond (i.e. in the area with a single liner) must be graded to encourage drainage towards the process solution collection headers.
9. Submit the following post-construction documentation, within approximately 30 days of substantial completion of the project:
 - Construction completion report prepared in accordance with the requirements of 11 AAC 93.171(f)(6)(A) and including design change details and approvals

CERTIFICATE OF APPROVAL TO CONSTRUCT A DAM
Walter Creek Heap Leach Pad Dam

- An operation and maintenance manual prepared in accordance with the requirements of 11 AAC 93.197 including instrumentation monitoring and maintenance instructions, a description of unusual conditions and contingency procedures.
- 10. A *Certificate of Approval to Operate a Dam* is required after construction is complete. A *Certificate of Approval to Operate a Dam*, including any pertinent terms and conditions, will be issued by the Department upon review and approval of the submittals required under the previous condition.
- 11. Commence construction by the first day of June of the third calendar year after the date of this certificate. If construction does not begin by this date, an updated application must be submitted for review and approval by the Department, including application fees required under 11 AAC 05.010.
- 12. Notify the Department of the date of substantial completion within one week after that date occurs.
- 13. Within one year after substantial completion of the dam, conduct a periodic safety inspection of the dam and appurtenances as required by 11 AC 93.159.
- 14. This certificate of approval is not valid until financial assurance required by 11 AAC 93.171(f)(4)(F) is demonstrated to the satisfaction of the Department.

End of Attachment B

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