STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

DIVISION OF HABITAT

SEAN PARNELL. GOVERNOR

802 3rd Street, Douglas P.O. BOX 110024 JUNEAU, AK 99811-0024 PHONE: (907) 465-4105 FAX: (907) 465-4759

FISH HABITAT PERMITS FH11-I-0134 and FH11-I-0135

ISSUED: February 13, 2012

Coeur Alaska, Inc. ATTN: Mr. Luke J. Russell 3031 Clinton Dr., Suite 202 Juneau, AK 99801

RE: Sherman Creek Tributary Bridges

T. 35 S., R. 62 E. Sec. 5, C.R.M. (Juneau D4)

Locations:

58.8633 N, 135.1082 W

South Fork Sherman Creek Bridge (FH11-I-0134)

58.8632 N, 135.1022 W

Upper Sherman Creek Bridge (FH11-I-0135)

Dear Mr. Russell:

Pursuant to AS 16.05.841 (Fishway Act), the Alaska Department of Fish and Game (ADF&G) Division of Habitat reviewed two existing bridges located on tributaries to Sherman Creek that support the Kensington Gold Mine. These structures are located upstream of the cataloged anadromous portion of Sherman Creek (Stream No. 115-31-10330).

Project Description

The bridges on tributaries¹ to Sherman Creek include the following:

1) South Fork Sherman Creek Bridge

FH11-I-0134

The log stringer bridge is located on the South Fork Sherman Creek, about 1500' upstream of its confluence with Sherman Creek and was installed above the ordinary high

¹South Fork Sherman Creek and Upper Sherman Creek are commonly referenced in project documents for Kensington Gold Mine. They are not shown on most USGS Quad maps of the area.

water mark. On April 17, 1998, this office issued Coeur Alaska, Inc. a permit (FG97-I(J)-66) authorizing replacement of this bridge with a new prefabricated bridge, but that work was never completed and the original log stringer bridge is still in place.

2) Upper Sherman Creek Bridge

FH11-I-0135

The log stringer bridge is located on the Upper Sherman Creek, about 2400' upstream of the confluence of South Fork Sherman Creek and Upper Sherman Creek, and was installed above the ordinary high water mark. On April 17, 1998, this office issued Coeur Alaska, Inc. a permit (FG97-I(J)-65) authorizing replacement of this bridge with a new prefabricated bridge, but that work was never completed and the original log stringer bridge is still in place.

Fish Resources

South Fork and Upper Sherman Creeks support resident Dolly Varden char.

Fishway Act

In accordance with AS 16.05.841, project approval is hereby given subject to the project description and the terms of this permit:

The structures shall be maintained to accommodate the efficient passage and movement of fish, both upstream and downstream.

You are responsible for the actions of contractors, agents, or other persons who perform work to accomplish the approved project. For any activity that significantly deviates from the approved plan, you shall notify the Division of Habitat and obtain written approval in the form of a permit amendment before beginning the activity. Any action that increases the project's overall scope or that negates, alters, or minimizes the intent or effectiveness of any stipulation contained in this permit will be deemed a significant deviation from the approved plan. The final determination as to the significance of any deviation and the need for a permit amendment is the responsibility of the Division of Habitat. Therefore, it is recommended you consult the Division of Habitat immediately when a deviation from the approved plan is being considered.

For the purpose of inspecting or monitoring compliance with any condition of this permit, you shall give an authorized representative of the state free and unobstructed access, at safe and reasonable times, to the permit site. You shall furnish whatever assistance and information as the authorized representative reasonably requires for monitoring and inspection purposes.

This letter constitutes a permit issued under the authority of AS 16.05.841 and must be retained on site during project activities. Please be advised that this determination applies only to activities regulated by the Division of Habitat; other agencies also may have jurisdiction under their respective authorities. This determination does not relieve you of your responsibility to secure other permits; state, federal, or local. You are still required to comply with all other applicable laws.

In addition to the penalties provided by law, this permit may be terminated or revoked for failure to comply with its provisions or failure to comply with applicable statutes and regulations. The

department reserves the right to require mitigation measures to correct disruption to fish and game created by the project and which was a direct result of the failure to comply with this permit or any applicable law.

You shall indemnify, save harmless, and defend the department, its agents, and its employees from any and all claims, actions, or liabilities for injuries or damages sustained by any person or property arising directly or indirectly from permitted activities or your performance under this permit. However, this provision has no effect if, and only if, the sole proximate cause of the injury is the department's negligence.

Any questions or concerns about this permit may be directed to Habitat Biologist Kate Kanouse at (907) 465-4290 or emailed to kate.kanouse@alaska.gov.

Sincerely,

Cora Campbell

Commissioner

By Jackie Timothy

Regional Supervisor

Division of Habitat

CC via email:

Al Ott, ADF&G Habitat, Fairbanks Brian Glynn, ADF&G/SF, Douglas Kevin Monagle, ADF&G/CF, Douglas Ryan Scott, ADF&G/WC, Douglas Ted Deats, ADNR Water, Juneau Steve Brockmann, USFWS, Juneau Mary Goode, NMFS, Juneau Heidi Firstencel, USACE, Juneau Linda Speerstra, USACE, Sitka Kevin Eppers, Coeur Alaska, Juneau