

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF HABITAT MANAGEMENT AND PERMITTING
JUNEAU AREA OFFICE

FRANK H. MURKOWSKI, GOVERNOR

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796

PHONE: (907) 465-4105

FAX: (907) 465-4759

FISH HABITAT PERMIT FH05-I-0049

ISSUED: May 6, 2005

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

Re: Infiltration Gallery Installation on Upper Johnson Creek
Located above Stream #115-20-10070
T. 35 S., R. 62 E. Sec. 15, C.R.M. (Juneau D-4)

Dear Mr. Russell:

Pursuant to AS 41.14.840 and AS 41.14.870(b), the Alaska Department of Natural Resources (DNR) Office of Habitat Management and Permitting (OHMP) has reviewed your proposal to install an infiltration gallery in the stream channel to supply water for the Kensington Gold Project mine/mill complex. You propose to excavate a 5 to 6-foot wide, 10-foot deep, 15-foot long trench perpendicular to the stream channel, extending mainly into the bank, but also into the stream channel. The excavation will be filled with coarse gravel surrounding a 24" diameter vertical pipe that will intersect the bank at the low flow water surface elevation and extend approximately 3 feet below the streambed. Fill gravel that is above the ordinary high water level will be covered with topsoil and seeded. During construction, the stream will be blocked from the work area and diverted or pumped around. This project was found consistent with the Alaska Coastal Management Program on 01/25/2005 (Lynn Canal 31, State I.D. No. AK 0406-13J).

Anadromous Fish Act and Fishway Act Requirements

The project is located on Upper Johnson Creek, approximately 1.4 stream miles above a natural barrier that blocks migration of anadromous fish. Below this barrier, Lower Johnson Creek (Stream #115-20-10070) has been specified as being important for the migration, spawning and rearing of anadromous fish pursuant to AS 41.14.870(a). Lower Johnson Creek supports pink, chum and coho salmon, cutthroat trout and Dolly Varden char. The project area is located above this natural barrier, where only resident Dolly Varden char are present. In addition to implementing Best Management Practices that you have proposed to control erosion and sedimentation, impacts to resident Dolly Varden char and downstream impacts to anadromous fish will be minimized by limiting work below ordinary high water to periods when stream flows are low.

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

In order to assure that there are adequate flows to maintain conditions for spawning, incubation, rearing and migration of fish in Johnson Creek, water withdrawals will not be allowed when natural

In accordance with AS 41.14.840 and AS 41.14.870(b), project approval is hereby given subject to the following stipulations:

1. All work below the ordinary high water mark of Johnson Creek must occur during November 1 through April 30. If work is to be performed outside of this timing window, prior written approval by OHMP is required.
2. Prior to placement in the stream, fill material shall be clean of silts, clays and organic materials.
3. The applicant shall notify OHMP in Juneau at least five working days before work is to occur, to allow for an onsite inspection.

The integrity of the structure must be maintained for the life of the structure in accordance with the terms and conditions of this permit so that free passage of fish is assured. Any obstruction to the free passage of fish must be restored to the satisfaction of OHMP.

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 OHMP 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 stipulations 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 OHMP. Therefore, it is recommended you consult OHMP immediately when a deviation from the approved plan is being considered.

This letter constitutes a permit issued under the authority of AS 41.14.840 and AS 41.14.870. This permit must be retained on site during construction. Please be advised that this determination applies only to activities regulated by OHMP; other divisions with ADNR 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 created by the project which was a direct result of failure to comply with this permit or any applicable law.

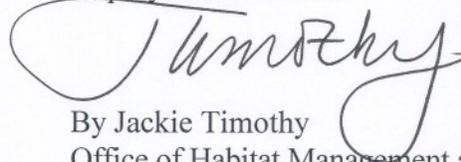
You shall indemnify, save harmless, and defend the department, its agents, and its employees from any and all claims, actions or liabilities for injuries or damages sustained by any person or property arising directly or indirectly from permitted activities or your performance under this permit. However,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

This permit decision may be appealed in accordance with the provisions of AS 44.62.330-630.

If you have any questions, please contact Carl Schrader at (907) 465-4287 or email carl_schrader@dnr.state.ak.us.

Sincerely,

Richard A. LeFebvre
Deputy Commissioner



By Jackie Timothy
Office of Habitat Management and Permitting
Department of Natural Resources

CC by email:

Al Ott, DNR/OHMP, Fairbanks
Carl Schrader, DNR/OHMP, Juneau
Ed Fogels, DNR/OPMP
Joe Donohue, DNR/OPMP, Juneau
Brady Scott, DNR/DMLW, Juneau
Brian Glynn, ADF&G, Douglas
Kevin Brownlee, ADF&G, Douglas
Randy Erickson, ADF&G, Haines
Randy Bachman, ADF&G, Haines
Ben Kirkpatrick, ADF&G, Haines
Wayne Dolezal, ADF&G, Anchorage
John Leeds, USACE, Juneau
Steve Hohensee, USFS, Juneau
David Cox, USFS, Juneau
Pete Schneider, USFS, Juneau
Susan Walker, NMFS, Juneau
Richard Enriquez, UFSWS, Juneau
Chris Meade, USEPA, Juneau