

Response to Comments

for

Department of Environmental Conservation
Waste Management Permit No. 2023DB0001
and
Department of Natural Resources
Reclamation Plan Approval No. F20232626RPA

Peak Gold, LLC
Manh Choh Project

Public Noticed February 10, 2023 – March 13, 2023

May 15, 2023

Introduction

Public notice start: February 10, 2023

Public notice end: March 13, 2023

The Manh Choh Project (Project) is located approximately 10 miles south of Tok, Alaska, in the Upper Tanana Athabascan Village of Tetlin (Tetlin). The mine site is situated on top of a group of low hills in the northern part of a lease between Tetlin and Peak Gold LLC and is accessible from the Alaska Highway, on the approximately 5-mile Tetlin Village Road "Manh Choh Twin Road," and the approximately 9-mile Project access road "Manh Choh Site Road," both on Tetlin Land.

Peak Gold LLC plans on developing an open pit gold mine. Mining will be conducted by conventional truck and shovel operation, year-round, seven days per week, twenty-four hours a day. Peak Gold LLC began constructing the Twin Road and Site Road for the Project in 2022 supporting commencement of mining in 2023.

This document summarizes and addresses comments received on Alaska Department of Environmental Conservation (DEC), draft Waste Management Permit (WMP) No. 2023DB0001 and Alaska Department of Natural Resources (DNR), draft Reclamation Plan Approval (RPA) No. F20232626RPA. The WMP regulates the containment and disposal of waste rock and water at the Project, while the RPA regulates activities associated with the reclamation and closure of the Project.

The public comment period for the permits lasted 32 days beginning on February 10, 2023 and ending after March 13, 2023.

Substantive comments concerning the requirements of the DEC WMP or the DNR RPA and the State's responses are contained in the following pages. The State did not respond to comments outside the scope or beyond regulatory authority of these permits. For example, concerns over offsite transportation and disposal of ore are not addressed herein because those activities are not regulated by these permits.

Any changes made to the draft permits resulting from comments received during the public notice period are reflected in the final permits. Where comments resulted in changes to the permits, associated changes are included in the response to those comments. Nonsubstantive, minor changes made to the draft permits after public notice to correct typographical and grammatical errors, formatting, and to clarify information are not detailed in this document.

Comment Overview and General Comments

The State received comments from 127 parties, the majority of which were general comments that did not concern permit-specific requirements. Instead, general comments included objection

to the Project, support for the Project, ore transportation and disposal concerns, and or other aspects outside the scope of the permits. Two commenters requested a public hearing pursuing information outside the scope of the permits. Since those requests failed to constitute good cause under 18 AAC 15.060(b), no public hearing was held. General comments offer no specific points applicable to permit conditions, and no changes to the permits resulted from them.

Response to Comments on draft Waste Management Permit No. 2023DB0001 and draft Reclamation Plan Approval No. F20232626RPA for the Manh Choh Project

Comment No.	Comment Summary	Agency Response
1	<p>The plans for waste rock management at the north and south pits on the mine site are inadequate. Backfilling and covering with water will reduce oxidation, but there is still high potential for effluent from the pits to leach into surrounding groundwater and cause contamination.</p> <p>The southern pit should be domed, just as is being proposed for the north pit, so water may run off.</p> <p>The southern pit should be required to have an impervious liner.</p>	<p>The waste rock characterization plan is well supported by static and kinetic geochemical test data. Waste rock classification criteria are divided into four domains of waste rock management and comprehensively account for containment of acid rock drainage and metal leaching (ARD/ML).</p> <p>Closure plans employ a variety of proven and effective disposal strategies. For example, waste rock, which is most reactive with oxygen, will be submerged below the groundwater table in a suboxic environment. Less reactive rock will be disposed above the groundwater table, domed, and covered with an impermeable geosynthetic liner to prevent ARD/ML impacts.</p> <p>No permit change resulted from this comment.</p>
2	<p>The plans for monitoring the mine site after closure are inadequate. Acid-generating ore and effluent must be monitored forever, but the permits only allocate 5-7 years of monitoring post-closure. The area should be monitored for longer.</p>	<p>Condition 2.7.5 of the WMP requires at least 60 months of post-closure monitoring. Additionally, in condition 2.7.6, it states, "The permittee shall assess the conditions at the facility and respond accordingly throughout the reclamation and post-closure care periods. At the end of the post-closure monitoring period, DEC will determine whether post-closure care and monitoring should be extended beyond the initial 60-month period, based on the information collected by that time." Therefore, the length of the post-closure monitoring period is open-ended depending on the site conditions.</p> <p>No permit change resulted from this comment.</p>

Response to Comments on draft Waste Management Permit No. 2023DB0001 and draft Reclamation Plan Approval No. F20232626RPA for the Manh Choh Project

Comment No.	Comment Summary	Agency Response
3	An open pit lake is a serious threat to the health and safety of surrounding wildlife. More needs to be done to reclaim the pits and ensure that groundwater contamination and wildlife habitat and health are not issues. Heavy metal concentrations in the lake and bird usage are of concern.	Alaskan laws and regulations do not require open pits to be reclaimed. However, the permittee's plans, as approved by DNR and DEC, require that the two pits get backfilled during reclamation and closure. Hence, there will be no pit lake at the site. No permit change resulted from this comment.
4	There were misstatements on the website/public notice regarding who is the permittee and who is liable (j/v, parent corporation, Alaska entity, etc.).	The WMP and RPA were issued to Peak Gold, LLC. Any inconsistencies contained in the draft permits have been corrected in the final versions. No permit change resulted from this comment.
5	Dust control at the mine site needs to be addressed.	The WMP does not address dust control. Instead, dust control is addressed through DEC Air Quality Control Minor Permit AQ1616MSS01 issued June 29, 2022. No permit change resulted from this comment.

Response to Comments on draft Waste Management Permit No. 2023DB0001 and draft Reclamation Plan Approval No. F20232626RPA for the Manh Choh Project

Comment No.	Comment Summary	Agency Response
6	The bond amount is inadequate.	<p>Closure costs were tallied using the Standardized Reclamation Cost Estimator, version 2.0 displaying exhaustive detail through more than 40 worksheets. Upon review, DNR and DEC found that the financial assurance amount to be adequate.</p> <p>No permit change resulted from this comment.</p>
7	A third-party audit should occur annually.	<p>There are no statutory or regulatory requirements in Alaska State Law that require a third-party audit be conducted on mining activities; however, a General Stipulation in the RPA states that a third-party environmental audit shall be completed during the final year of the permit term unless waived by DNR.</p> <p>No permit change resulted from this comment.</p>
8	<p>The proposed plan does not meet 11 AAC 97.310, as it does not list all property and locations where operations will be conducted. They also state it does not appear to meet the other requirements of 11 AAC 97.310 either. The south pit that will remain open will not meet the standards of AS 27.19.020 and 11 AAC 97.200(b). This area will not “be restored to surface contours conducive to natural revegetation” or alternate uses like trails, lakes, recreation sites, fish, and wildlife enhancement, commercial or agricultural purposes.”</p>	<p>DNR determined that Sections 3.1 and 3.2 of the submitted Reclamation Plan and the associated Figures 1 & 2 and Table 3.1 provide an adequate description of all the property and locations where the operations are to be conducted for the Project.</p> <p>DNR reviewed the Reclamation Plans for the South Pit wall and has determined that they meet the regulations under 11 AAC 97.200 (c) which states: <i>‘a pit wall, subsidence feature or quarry wall is exempt from the requirements of (a) and (b) of this section if the steepness of the wall makes them impractical or impossible to accomplish.’</i></p> <p>No permit change resulted from this comment.</p>

Response to Comments on draft Waste Management Permit No. 2023DB0001 and draft Reclamation Plan Approval No. F20232626RPA for the Manh Choh Project

Comment No.	Comment Summary	Agency Response
9	The plan for disposal site for solid and hazardous waste is concerning, including the disposal of tires.	<p>Approved plans indicate that all non-waste rock solid or hazardous waste, including tires, will be disposed, as allowed, offsite in State of Alaska permitted facilities. The WMP only allows the disposal of waste rock and wastewater at the site.</p> <p>No permit change resulted from this comment.</p>
10	Studies should be required to assess the impact of mixing potentially acid generating (PAG) waste rock from Manh Choh with waste rock at Fort Knox Mine. The Fort Knox Mine plans and approvals should be updated to account for the additional ore and waste rock from Manh Choh.	<p>All Manh Choh waste rock will be disposed on site, primarily by redepositing it in the pits from which it came. Manh Choh waste rock is not permitted for disposal at Fort Knox Mine.</p> <p>In a separate matter, the Fort Knox Mine WMP allows for processing and disposal of satellite pit (Manh Choh) ore under permit prescribed requirements. Testing and data have been submitted and are currently under review prior to updates of the Fort Knox WMP.</p> <p>No permit change resulted from this comment.</p>
11	Studies should be completed on potential seismic activity in the area. It is in an area known for large earthquakes and fault lines. Where is the discussion of potential seismic activity that could damage the mine or the disposal areas for PAG material that aren't being trucked to Fort Knox Mine.	<p>Risk is determined by a combination of probability and severity. The projected life-of-mine (LOM) is five years, and the short LOM lowers probability of an earthquake. The dearth of mine infrastructure (two pits, four rock dumps, trucks, shovels, fuel island, and office) and the remote location minimize potential for severe impacts. These factors indicate negligible risk associated with an earthquake.</p> <p>No permit change resulted from this comment.</p>

Response to Comments on draft Waste Management Permit No. 2023DB0001 and draft Reclamation Plan Approval No. F20232626RPA for the Manh Choh Project

Comment No.	Comment Summary	Agency Response
12	The Native Village of Tetlin will not receive enough royalties from the project.	<p>The Native Village of Tetlin has contracted Peak Gold, LLC to recover gold ore from its property. The terms of that agreement are a private matter and outside the scope of these permits.</p> <p>No permit change resulted from this comment.</p>
13	The public review/comment period should be extended, and a more comprehensive state and federal review (Environmental Impact Statement or Environmental Assessment) should be conducted, with additional public meetings.	<p>The scope of these permits is limited as follows. The WMP allows for the onsite containment and disposal of waste rock and wastewater, and the RPA approves plans to reclaim and restore the site after mining has been terminated. The public review and comment period was 32 days and complies with all applicable public notice regulations.</p> <p>The scope of the permit comment period is limited to impacts from the discharge authorized within the proposed WMP. Additional impacts relating to the associated activity are addressed in other permits, environmental assessments, etc. Comments applicable to other permits or studies may not be directly related to the proposed WMP discharge. Comments which did not pertain directly to the proposed discharge authorized in the WMP were not considered responsive to the Division's request for public comment and outside of the scope of the permit action.</p> <p>The U.S. Army Corps of Engineers (USACE) issued a permit to Peak Gold, LLC after it completed an Environmental Assessment, which concluded in a Finding of No Significant Impact, DNR and DEC found the public notice period adequate in length. Federal public participation processes are independent of State of Alaska permitting processes.</p> <p>No permit change resulted from this comment.</p>

Response to Comments on draft Waste Management Permit No. 2023DB0001 and draft Reclamation Plan Approval No. F20232626RPA for the Manh Choh Project

Comment No.	Comment Summary	Agency Response
14	The same concerns expressed by the USACE and EPA during issuance of the USACE permit apply to these permits.	<p>Prior to USACE permit issuance, USACE and EPA commented on the project plan on three occasions: February 11, 2022 (EPA), April 1, 2022 (USACE), and August 19, 2022 (EPA). Peak Gold, LLC satisfactorily responded to each of those three sets of comments, and the USACE issued its permit to Peak Gold, LLC.</p> <p>The scope of the permit comment period is limited to impacts from the discharge authorized within the proposed WMP. Additional impacts relating to the associated activity are addressed in other permits, environmental assessments, etc. Comments applicable to other permits or studies may not be directly related to the proposed WMP discharge. Comments which did not pertain directly to the proposed discharge authorized in the WMP were not considered responsive to the Division’s request for public comment and outside of the scope of the permit action.</p> <p>As a courtesy, the State provides each of the three Peak Gold, LLC responses through SmartComment. Go to the following link: https://water.alaskadec.commentinput.com/?id=7R9fF. Specifically, they are Attachment 1 – <i>Responses to EPA 20220211 Inquiries</i>, Attachment 2 – <i>Responses to USACE 20220401 inquiries</i>, and Attachment 3 – <i>Responses to EPA 20220819 Inquiries</i>.</p> <p>No permit change resulted from this comment.</p>