

STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF WATER

Non-Point Source Pollution Water Control Program

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July 12, 2007

Certified Mail 7006-0810-0000-8656-8168

Mr. Delbert Parr, Environmental Manager
Fairbanks Gold Mining, Inc.
PO Box 73726
Fairbanks, AK 99707-3726

Subject: Fish Creek FGMI Mining
Reference No. POA-1992-574-S

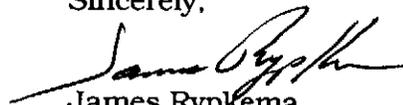
Dear Mr. Parr:

In accordance with Section 401 of the Federal Clean Water Act of 1977 and provisions of the Alaska Water Quality Standards, the Department of Environmental Conservation is issuing the enclosed Certificate of Reasonable Assurance for construction and operation of the Walter Creek Heap Leach Facility located approximately 26 miles northeast of Fairbanks, Alaska.

Department of Environmental Conservation regulations provide that any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.195 - 18 AAC 15.340 or an informal review by the Division Director in accordance with 18 AAC 15.185. Informal review requests must be delivered to the Director, Division of Water, 555 Cordova St., Anchorage, AK 99501, within 15 days of the permit decision. Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, 410 Willoughby Avenue, Suite 303, PO Box 111800, Juneau, AK 99811-1800, within 30 days of the permit decision. If a hearing is not requested within 30 days, the right to appeal is waived.

By copy of this letter we are advising the Corps of Engineers of our actions and enclosing a copy of the certification for their use.

Sincerely,



James Rypkema
Program Manager

Enclosure

cc: (with encl.)

Sharon Seim, ACOE, Fbks

Mac McLean, DNR/OHMP

F&WS

Tim Pilon, ADEC, Fbks

EPA, AK Operations

William Ashton, ADEC, Anch

Bob Tsigonis, DNR, Fbks

STATE OF ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
CERTIFICATE OF REASONABLE ASSURANCE

A Certificate of Reasonable Assurance, in accordance with Section 401 of the Federal Clean Water Act and the Alaska Water Quality Standards, is issued to Fairbanks Gold Mining, Inc., PO Box 73726, Fairbanks, AK 99707-3726, for the development of a cyanide heap leach facility in Walter Creek Valley. The surface disturbance is estimated as: heap leach facility, 310 acres; growth media stockpile, 20 acres; haul road, 58.4 acres; access road, 12.3 acres; and pipelines, 2.3 acres. Of this estimated disturbance, approximately 57.6 acres are wetlands.

The proposed activity is located at Section 4, 8 and 9, T. 2 N., R 2 E., Fairbanks Meridian, approximately 26 miles northeast of Fairbanks, Alaska.

Public notice of the application for this certification was given as required by 18 AAC 15.180.

Water Quality Certification is required under Section 401 because the proposed activity will be authorized by a Corps of Engineers permit, reference number POA-1992-574-S, and a discharge may result from the proposed activity.

Having reviewed the application and comments received in response to the public notice, Alaska Department of Environmental Conservation certifies that there is reasonable assurance that the proposed activity, as well as any discharge which may result, will comply with applicable provisions of Section 401 of the Clean Water Act and the Alaska Water Quality Standards, 18 AAC 70, provided that the following alternative measures are adhered to.

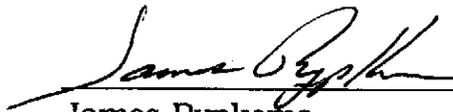
1. Reasonable precautions and controls must be used to prevent incidental and accidental discharge of petroleum products or other hazardous substances. Material such as sorbent pads shall be available and used immediately to contain and cleanup oil, fuel, hydraulic fluid, antifreeze or other pollutant spills as a result of construction activities.
2. Fuel storage and handling activities for earth moving equipment must be sited and conducted so there is no petroleum contamination of the ground, surface runoff or water bodies.
3. Excavated or fill material, including overburden, shall be placed so that it is stable, meaning after placement the material does not show signs of excessive erosion. Indicators of excess erosion include: gullyng, head cutting, caving, block slippage, material sloughing, etc. Material shall not leach harmful or toxic substances into streams or wetlands.

4. Growth media stockpiles shall be stabilized as soon as practicable after placement to prevent erosion, sediment runoff, or dust generation. Revegetation of the growth media piles shall begin as soon as site conditions allow and in the same growing season as the disturbance. If there is erosion or dust generation from the growth media piles, stabilization efforts must be revisited and improved. Visual monitoring of stabilization efforts shall be recorded as part of the monitoring efforts carried out in accordance with the Waste Management Permit 2006-DB0043, Section 1.6.1.1.
5. Implementation of Best Management Practices to control erosion during construction and operation of the Walter Creek Heap Leach Facility shall use the measures and practices identified in the Alaska Department of Transportation and Public Facilities, *Alaska Storm Water Pollution Prevention Plan Guide* dated April 3, 2007, or the latest published version of the document.

This certification expires five (5) years after the date the certification is signed. If your project is not completed by then and work under Corps of Engineers Permit will continue, you must submit an application for renewal of this certification no later than 30 days before the expiration date (18AAC15.100).

Date

July 12, 2007



James Rypkema
Program Manager