



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF MINING, LAND & WATER
Mining Section

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Fax: 907.269.8649
Coal Regulatory/Abandoned Mine Lands Main: 907.269.8631
Fax: 907.269.8930
TDD: 907.269.8411

November 20, 2017

Mark Huffington
Environmental Superintendent
Fairbanks Gold Mining, Inc.
PO Box 73726
Fairbanks, AK 99709-3726

**Subject: Fort Knox Mine Plan of Operations Amendment Approval
F20149852POO.8 for Powder Magazine Relocation**

Dear Mr. Huffington:

On October 20, 2017, the Division of Mining, Land, and Water (DMLW) received correspondence from Fairbanks Gold Mining, Inc. (FGMI), requesting approval to amend the *Fort Knox Mine Plan of Operations Amendment Approval F20149852POO (POOA)* for the relocation of the powder magazine.

The DMLW understands FGMI will begin construction of the new powder magazine and decommission the existing powder magazine after January 1, 2018.

The DMLW has reviewed the proposed amendment and consulted with the Alaska Department of Environmental Conservation.

The requested amendment to the POOA as proposed and illustrated in your October 20, 2017 submission is hereby approved as *Fort Knox Mine Plan of Operations Amendment Approval F20149852POO.8 (POOA)*. Nothing in this decision changes the conditions of the original POOA Approval dated March 28, 2014. This new facility should be accounted for in the next update to the Plan of Operations and the Reclamation and Closure Plan.

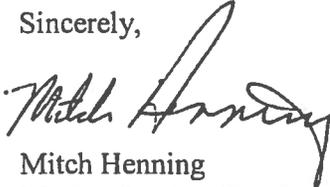
Please be advised that this authorization does not eliminate the potential need for authorization of your activity from other Federal, State, or local divisions or agencies.

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040© and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska, 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the

department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

If you have any questions regarding this approval, please contact Brent Martellaro at 907-451-2788

Sincerely,



Mitch Henning
Mining Section Chief

Enclosure: Copy of FGMI's October 20, 2017 amendment request

Cc via email: Bartly Kleven, FGMI
Brent Martellaro, ADNR
Carolyn Curley, ADNR
David Schade, ADNR
Tim Pilon, ADEC
Ellen Lyons, USACE

Jennifer Pyecha, FGMI
Stephanie Lovell, FGMI
Kyle Moselle, ADNR
Charles Cobb, ADNR
Audra Brase, ADF&G

Delivery: kyle.moselle@alaska.gov

October 20, 2017

Kyle Moselle
Department of Natural Resources
Office of Project Management and Permitting
400 Willoughby Street
Juneau, AK 99801-01019

Re: FGMI Powder Magazine Relocation

Dear Mr. Moselle:

Fairbanks Gold Mining, Inc. (FGMI) is requesting a modification to the Plan of Operations for the Fort Knox Gold Mine. The modification includes constructing a new powder magazine and decommissioning the existing powder magazine in quarters 1 and 2 of 2018.

The proposed powder magazine relocation is necessary for removing and processing ore from the existing powder magazine area, which will be too close to the mining of the pit's east wall identified by Attachment 1, Phase 8 East Wall Expansion figure. The proposed relocation is within the mine's previously approved disturbance area as identified by Attachment 2, Powder Magazine General Arrangement figure.

The proposed powder magazine relocation will be composed of an approximately 6.7-acre fenced enclosed area. The fenced area will be accessed through a gate equipped with a Security card reader. Major site elements are identified on Attachment 3, Powder Magazine Grading Plan figure and include:

- Ammonium Nitrate – two (2) silos of 200,000 pounds each
- Emulsion – two (2) silos of 100,000 pounds each
- Aboveground magazines – three (3) each
- General storage and staging tent structure

Structure locations within the powder magazine area may be adjusted prior to construction.

The following Code of Federal Regulations (CFR) that pertain specifically to the proposed powder magazine will be applied for the facility's construction, installation, and commissioning.

- 30 CFR Part 56, Subpart E – Explosives
- 27 CFR Part 555.218 – Table of Distances for Storage of Explosive Materials
- 27 CFR Part 555.220 – Table of Separation Distances of Ammonium Nitrate and Blasting Agents.

In addition, the National Fire Protection Association (NFPA) provides recommendations concerning separation distances between buildings to limit the spreading of exterior fires based on exterior openings and other construction features. This is outlined in the following:

- NFPA 80A – Recommended Practices for Protection of Buildings from Exterior Fire Exposure

Should you have any questions, please contact me at 970-490-2287 or mark.huffington@kinross.com.

Sincerely,



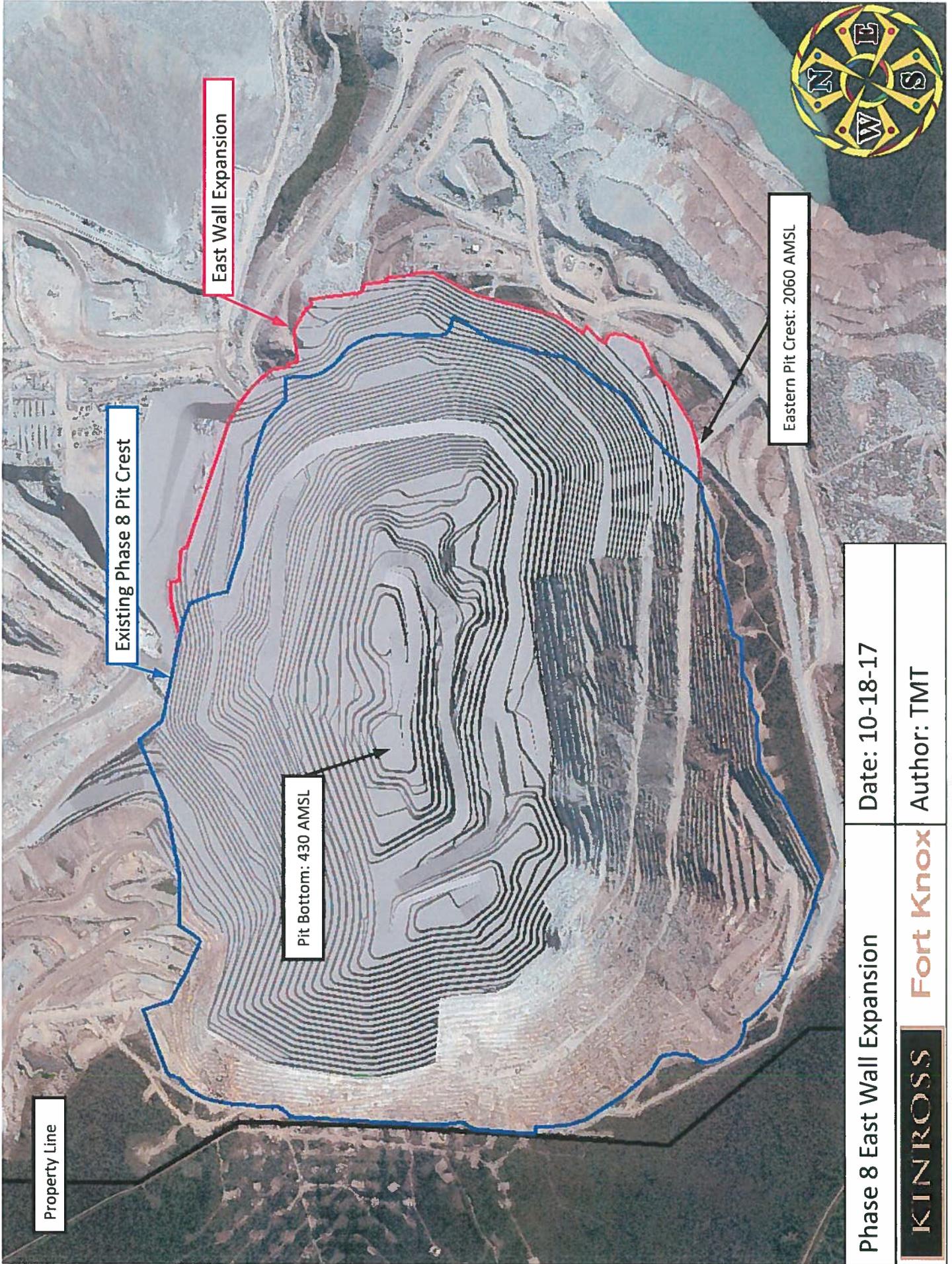
Mark A. Huffington
Environmental Superintendent

Attachments:

1. Phase 8 East Wall Expansion
2. Powder Magazine General Arrangement
3. Powder Magazine Grading Plan

Cc: Brent Martellaro, ADNR, brent.martellaro@alaska.gov
Tim Pilon, ADEC, tim.pilon@alaska.gov
Ellen Lyons, USACE, ellen.h.lyons@usace.army.mil
Bartly Kleven, FGMI
Jose Pedro Bolanos Arias, FGMI
Jennifer Pyecha, FGMI

Attachment 1
Phase 8 East Wall Expansion



Property Line

Existing Phase 8 Pit Crest

East Wall Expansion

Pit Bottom: 430 AMSL

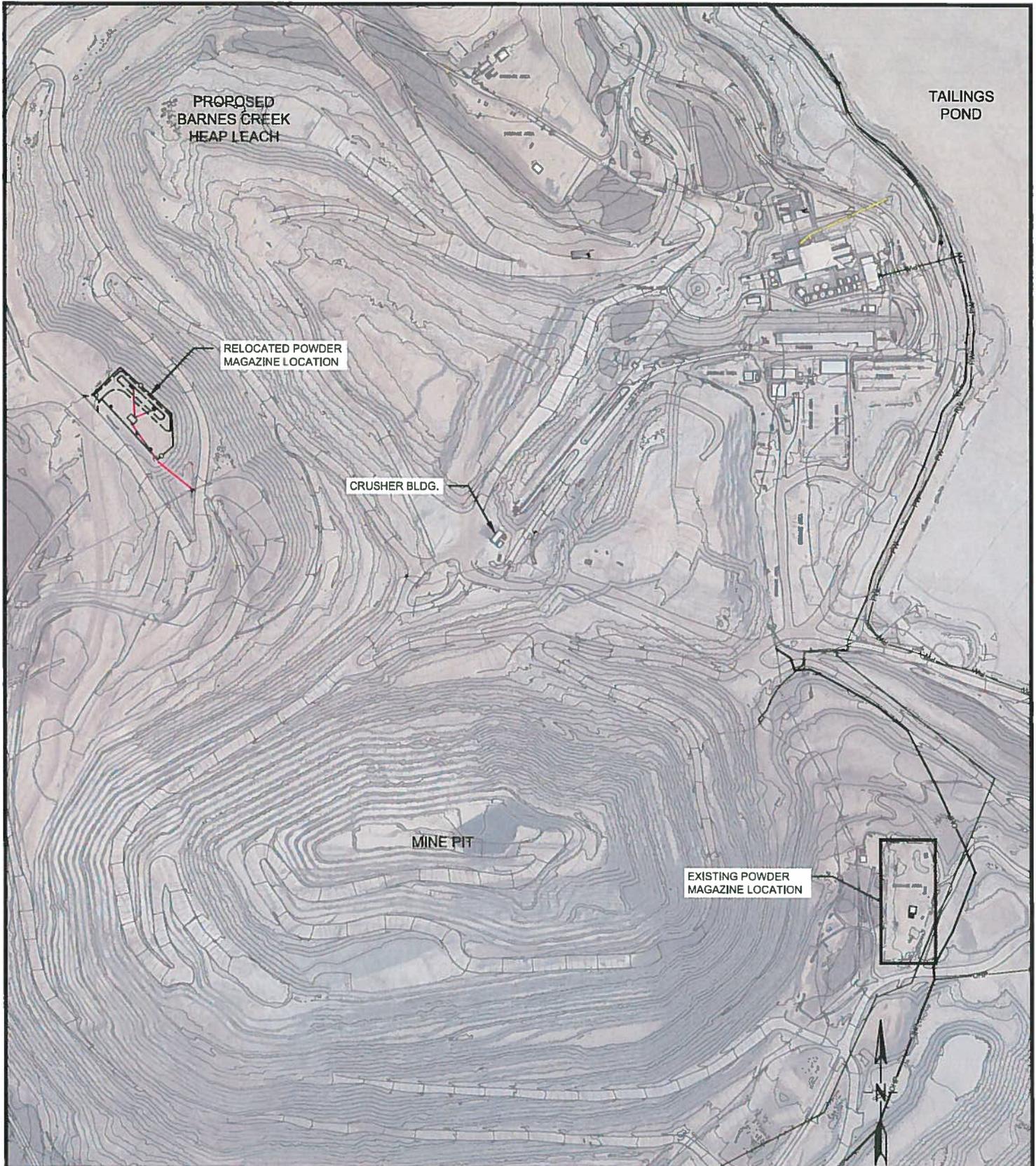
Eastern Pit Crest: 2060 AMSL



<p>Phase 8 East Wall Expansion</p>	<p>Date: 10-18-17</p>
<p>KINROSS</p>	<p>Author: TMT</p>

Fort Knox

Attachment 2
Powder Magazine General Arrangement



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DRAWN BY: MDH
DSGN. BY: DAJ
APPR. BY: DAJ
DATE: 3/2017

FORT KNOX INFRASTRUCTURE
KINROSS GOLD CORPORATION
FAIRBANKS ALASKA

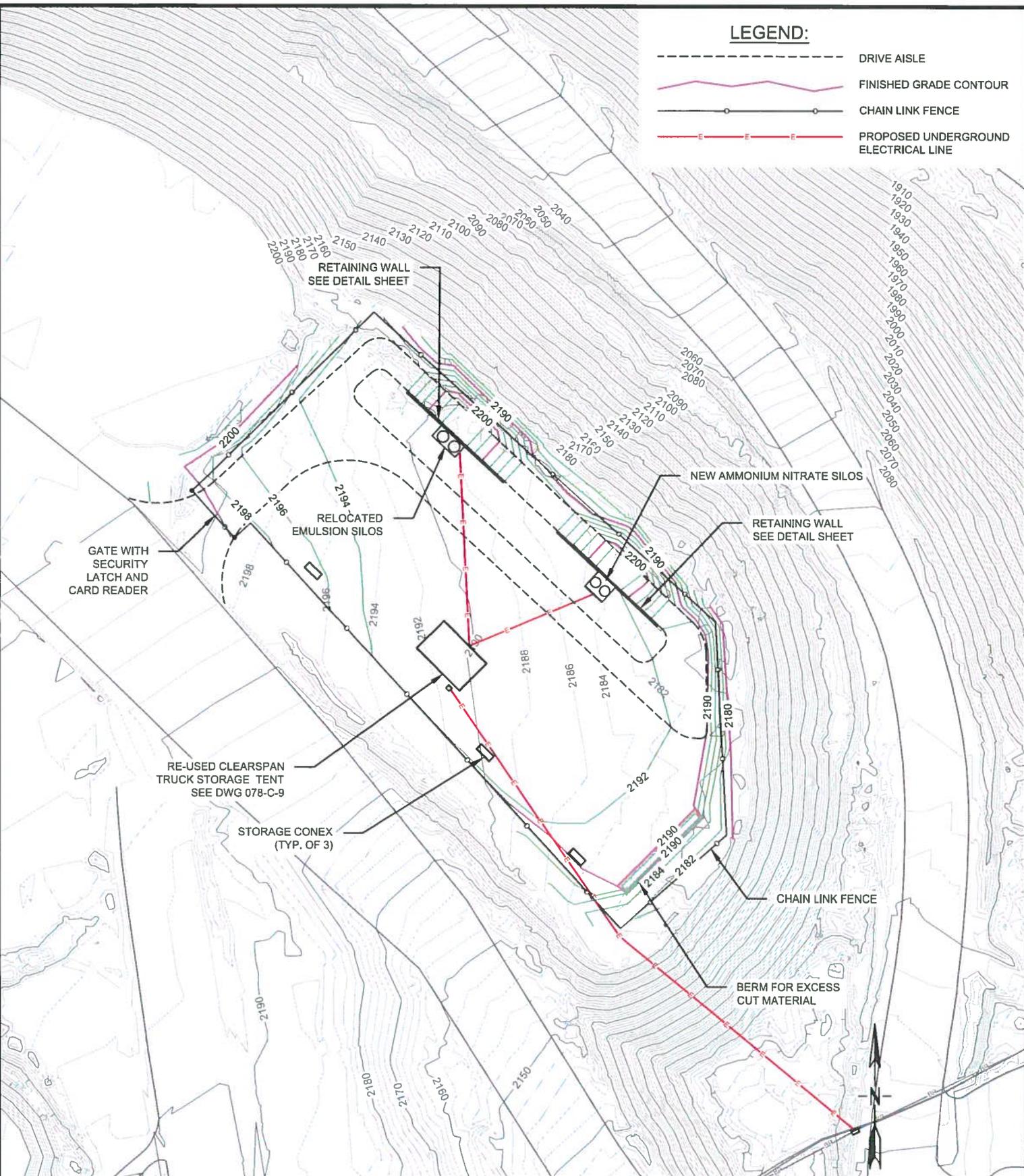
PROJECT NO.
3924.078
FIGURE NUMBER
078-PM-1

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sheeted on May 15/2017

Attachment 3
Powder Magazine Grading Plan

LEGEND:

-  DRIVE AISLE
-  FINISHED GRADE CONTOUR
-  CHAIN LINK FENCE
-  PROPOSED UNDERGROUND ELECTRICAL LINE



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DATE: 3/2017

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POWDER MAGAZINE GRADING PLAN

PROJECT NO.
3924.078

FIGURE NUMBER
078-PM-2

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