



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

FAIRBANKS FIELD OFFICE
Regulatory Division (1145)
CEPOA-RD
P.O. Box 35066
Fort Wainwright, AK 99703

PUBLIC NOTICE DATE:	February 10, 2023
EXPIRATION DATE:	March 12, 2023
REFERENCE NUMBER:	POA-2006-02047-M1
WATERWAY:	Fish Creek

Interested parties are hereby notified that a Department of the Army permit application has been received for work in waters of the United States as described below and shown on the enclosed project drawings.

All comments regarding this public notice should be sent to the address noted above. If you desire to submit your comments by email, you should send it to the project manager's email as listed below or to regpagemaster@usace.army.mil. All comments should include the public notice reference number listed above.

All comments should reach this office no later than the expiration date of this public notice to become part of the record and be considered in the decision. Please contact Greg Mazer at (907) 347-9059, toll free from within Alaska at (800) 478-2712, or by email at Gregory.J.Mazer@usace.army.mil, if further information is desired concerning this public notice.

APPLICANT: Bartly Kleven, Fairbanks Gold Mining, Inc., P.O. Box 73726, Fairbanks, AK 99707

LOCATION: The project site is located within Sections 2, 3, 10 & 11, T. 2 N., R. 3 E., Fairbanks Meridian; Latitude 65.024400° N., Longitude 147.104700° W.; near Chatanika, Alaska. From Fairbanks, travel North on the Steese Highway, turn right on Fish Creek Road to the Fort Knox security office. Traveling on site, go east below tailings storage facility, across the existing Gil Causeway, and continue east approximately six miles on the existing access road to the Gil Project.

PURPOSE: The applicant's stated purpose is to expand the existing Gil Mine Project, which began in 2021. The purpose of the Gil Mine Project - 2023 Modification is to profitably produce gold from mineral reserves on State of Alaska Land, utilizing open-pit mining methods and existing recovery processes.

PROPOSED WORK: The proposed project would expand an existing mine on state-owned land northeast of Fairbanks and southeast of Chatanika to continue extracting gold. Impacts to waters of the United States. caused by construction of the existing mine totaled 3.27 acres; these impacts were authorized by the U.S. Army Corps of Engineers, Alaska District (Corps) on August 6, 2021. The proposed project would be authorized by a modification of the existing permit.

The proposed modification would expand the mining operation, which currently consists of the Gil Main Pit, the North Pit, and an expanded access road. The proposed activity includes expanding the North Pit, creating new mining pits, upgrading the existing access roads, and constructing growth media stockpiles, waste rock dumps, laydown areas, and additional access roads. Ore would be hauled on the Gil Mine access road to Fort Knox's current facilities for processing.

With the proposed modification, the Gil Mine Project would extend across approximately 411 acres on two ridges, Gil to the west and Sourdough to the east. Approximately 14,727 cubic yards of clean fill would be permanently placed in 9.03 acres of waters of the United States via earthwork needed to extract gold-laden ore, deposit waste rock (non-ore bearing rock), and develop the infrastructure necessary to conduct the operation. The waters that would be affected are entirely wetlands located at the upper portions of hillside swales on Gil and Sourdough ridges; the wetlands are predominantly vegetated by deciduous shrubs, do not host habitat for species of concern, and are of a type that is common throughout most of interior Alaska. No direct impacts to streams or other waters are proposed.

Under the current plan, mining would cease on both ridges at the end of 2026. Reclamation of the Gil and the Sourdough Ridges would begin in late 2026, and progress through 2028.

All work would be performed in accordance with the enclosed plan (sheets 1-5), dated January 2023.

ADDITIONAL INFORMATION: This project would be a modification of the existing permit. The applicant is also applying for other necessary authorizations including a land use/mining operation permit from the Alaska Department of Natural Resources, Division of Mining, Land and Water, and a land use permit from the Alaska Mental Health Trust Land Office. Water that would be needed for dust control during construction and operation would be withdrawn from the Fort Knox fresh water reservoir; withdrawals are authorized under Water Right LAS 28519 and Fish Habitat Permit FH21-III-0111 Amendment 1.

APPLICANT PROPOSED MITIGATION: The applicant proposes the following mitigation measures to avoid, minimize, and compensate for impacts to waters of the United States from activities involving discharges of dredged or fill material.

a. Avoidance: The proposed project would avoid impacts to wetlands and other waters including streams. To assist with the design, aquatic resources were mapped and documented over an approximately 1,082-acre area encompassing the project site. As a result, waste rock and growth media storage facilities and other planned infrastructure would be situated on uplands. Only on-site, non-mineralized rock (clean fill) from uplands would be used for new road construction; no material sites would be established in wetlands or other waters. The road connecting the Gil Ridge pits with the Sourdough Ridge pits would extend at and near the ridgetop and thereby avoid contact with Slippery Creek, a perennial stream, or its tributaries. Slippery Creek is a tributary of Fish Creek and is within the Chena River watershed (Hydrologic Unit Code 19080306). Due to the widespread wetlands and the need for surface mining (underground mining was determined to not be feasible), the project includes fill placement in wetlands.

b. Minimization: The positions of the proposed roads, laydown areas and other infrastructure are oriented to minimize direct impacts to aquatic resources. The mine sites and attendant facilities including access roads would be located on moderately steep ridges that are predominantly upland. Wetland impacts would be further minimized by the following:

(1) Ore would be hauled to Fort Knox for gold processing and thus, no rock crushing, cyanide application, or tailings storage would occur at the project site; avoiding potential direct and indirect impacts to aquatic resources that would result from these activities.

(2) Existing gravel roads and gravel pads established during previous mine activity would be utilized by the project to reduce impacts. Existing roads start at the current Fort Knox facilities, lead across the Gil Causeway, and east up the ridgeline to the Gil Mine.

(3) Erosion control measures including contouring and seeding for embankment stabilization would be implemented according to the Stormwater Pollution Prevention Plan that would be submitted to the Alaska Department of Environmental Conservation. These measures would minimize erosion and sedimentation of wetlands and other waters.

(4) Culverts would be installed in roads and pads, where appropriate, to minimize erosion potential and maintain hydrologic connectivity.

(5) Any waste rock found to have the potential for acid generation or metals mobility would be stored in accordance with state regulations, and not be used for fill in road or facility construction or placed in or near wetlands and waters.

Upon terminating mine operations, the mine surface disturbance would be reclaimed and closed according to Alaska Statute 27.19, and all applicable regulations. Reclamation and associated revegetation of the disturbed areas would induce several indirect benefits to aquatic resources including suppressed erosion and sedimentation.

c. **Compensatory Mitigation:** Wetlands and waters creation and enhancement would be conducted by the applicant to offset wetland losses proposed at the Gil Mine Project. No mitigation bank credits or in-lieu fee program credits are available. The applicant submitted a compensatory mitigation plan as part of the application. Upon reviewing on-site and off-site opportunities, the applicant proposed to create and restore wetlands away from the proposed mine site, but within the Fish Creek Valley (Hydrologic Unit Code 190803060705), which encompasses the proposed mine and is part of the Chena River watershed. In addition to offsetting the proposed impacts, the proposed compensation would restore some of the aquatic resource functionality lost from historic placer mining and add to the improvements already made by compensatory mitigation that has occurred in the same valley. Implementation of the plan would occur in 2023-2024, concurrently with the proposed wetland impacts.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification, as required under Section 401 of the Clean Water Act (Public Law 95-217), has been received from the Alaska Department of Environmental Conservation.

CULTURAL RESOURCES: The latest published version of the Alaska Heritage Resources Survey (AHRs) has been consulted for the presence or absence of historic properties, including those listed in, or eligible for, inclusion in the National Register of Historic Places. The Gil Prospect Cultural Resources Investigation report, prepared by Stantec in 2021, was also reviewed. Based on these sources, there are cultural resources in the vicinity of the permit area, but none that are recommended as eligible for listing on the National Register of Historic Places. Further, these resources would be avoided entirely and would not be materially affected by the proposed activity. Thus, the Corps has made a No Historic Properties Affected (No Effect) determination for the proposed project.

This application is being coordinated with the State Historic Preservation Office (SHPO), and Federally recognized Tribes. The Corps is requesting SHPO's concurrence with this determination. Any comments SHPO, Federally recognized Tribes, or other consulting parties may have concerning presently unknown archeological or historic data that may be lost or destroyed by work under the requested permit will be considered in our final assessment of the described work.

ENDANGERED SPECIES: No threatened or endangered species are known to use the project area. Thus, we have determined the described activity would have no effect on any listed or proposed threatened or endangered species and would have no effect on any designated or proposed critical habitat, under the Endangered Species Act of 1973 (87 Stat. 844). Therefore, no consultation with the U.S. Fish and Wildlife Service or the National Marine Fisheries Service (NMFS) is required. However, any comments they may have concerning endangered or threatened wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

ESSENTIAL FISH HABITAT: The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH). No EFH species are known to use the project area. Thus, we have determined that the described activity would not adversely affect EFH in the project area.

TRIBAL CONSULTATION: The Corps fully supports tribal self-governance and government-to-government relations between Federally recognized Tribes and the Federal government. Tribes with protected rights or resources that could be significantly affected by a proposed Federal action (e.g., a permit decision) have the right to consult with the Corps, Alaska District, on a government-to-government basis. Views of each Tribe regarding protected rights and resources will be accorded due consideration in this process. This public notice serves as notification to the Tribes within the area potentially affected by the proposed work and invites their participation in the Federal decision-making process regarding the protected Tribal right or resource. Consultation may be initiated by the affected Tribe upon written request to the District Commander during the public comment period.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The outcome of the general balancing process would determine whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur. The decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Commander determines that it would be contrary to the public interest.

The Corps is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

AUTHORITY: This permit will be issued or denied under the following authority:

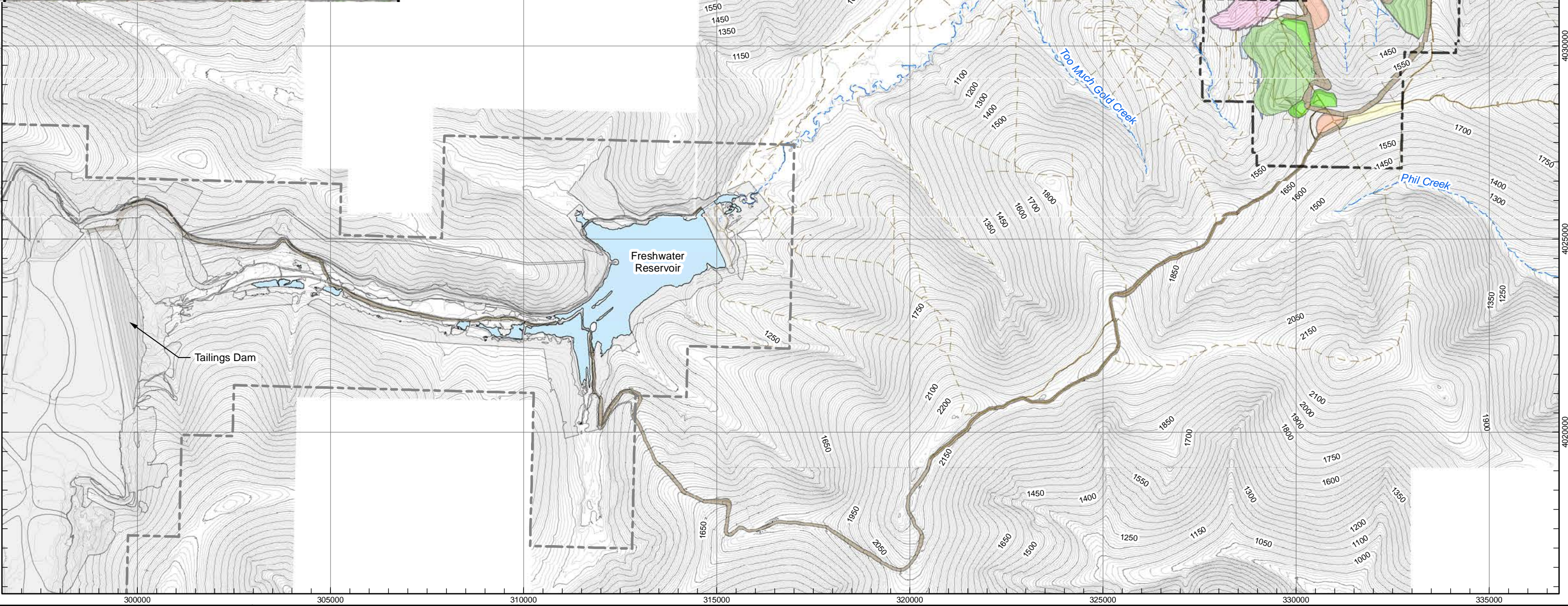
(X) Discharge of dredged or fill material into waters of the United States – Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

Project drawings are enclosed with this public notice.

District Commander
U.S. Army, Corps

Enclosures

Applicant: Fort Knox Gold Mine, Inc.
 File No.: POA-2006-02047
 Waterway: Fish Creek
 Proposed Activity: Mining operations at the Gil Project
 Fairbanks Meridian | T2N, R3E, S 2, 3, 10, 11
 Lat.: 65.0244 N Long.: 147.1047 W
 Sheet: 1 of 5 January 2023



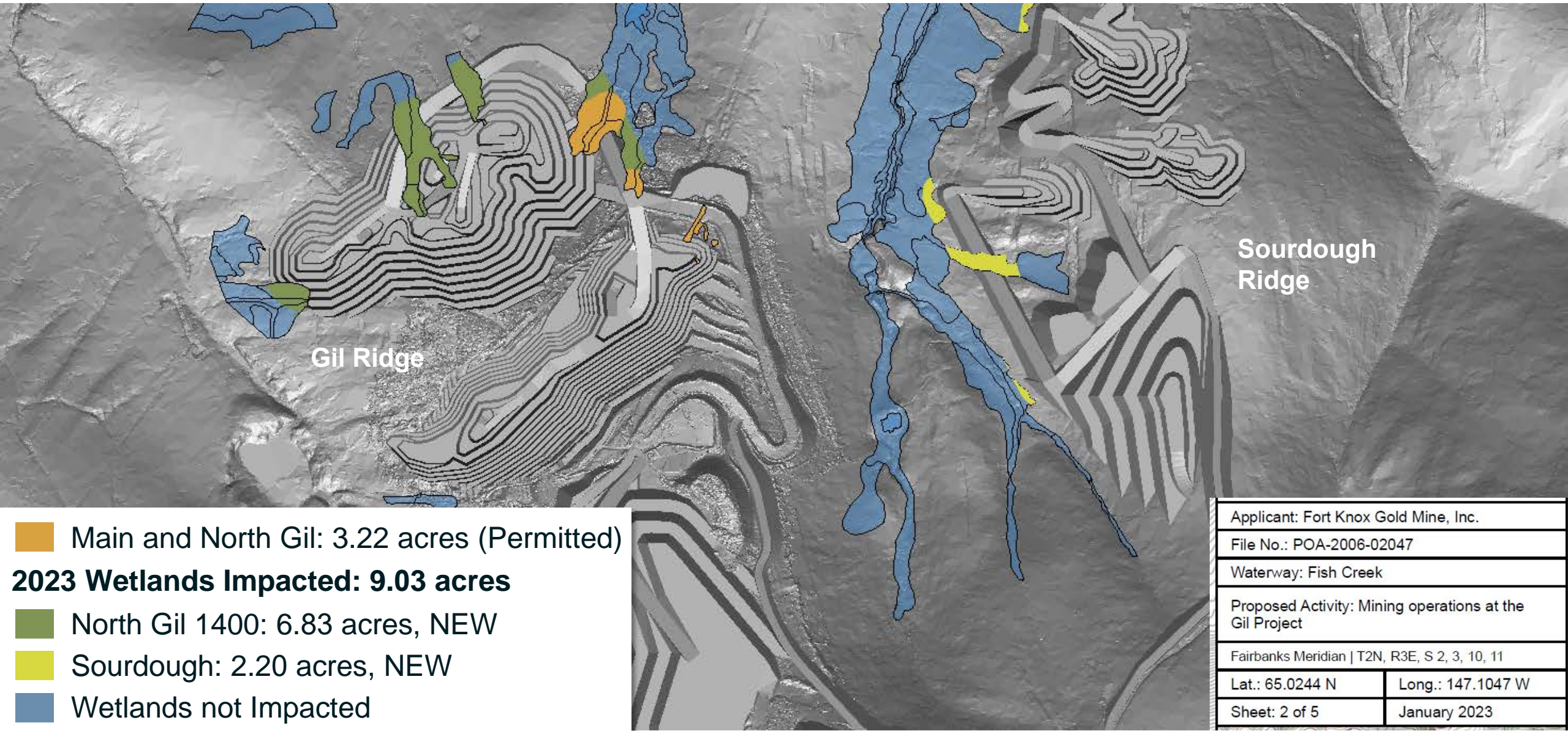

 Development Location
 Gil Project
 Sheet 1
 Date: December 2022

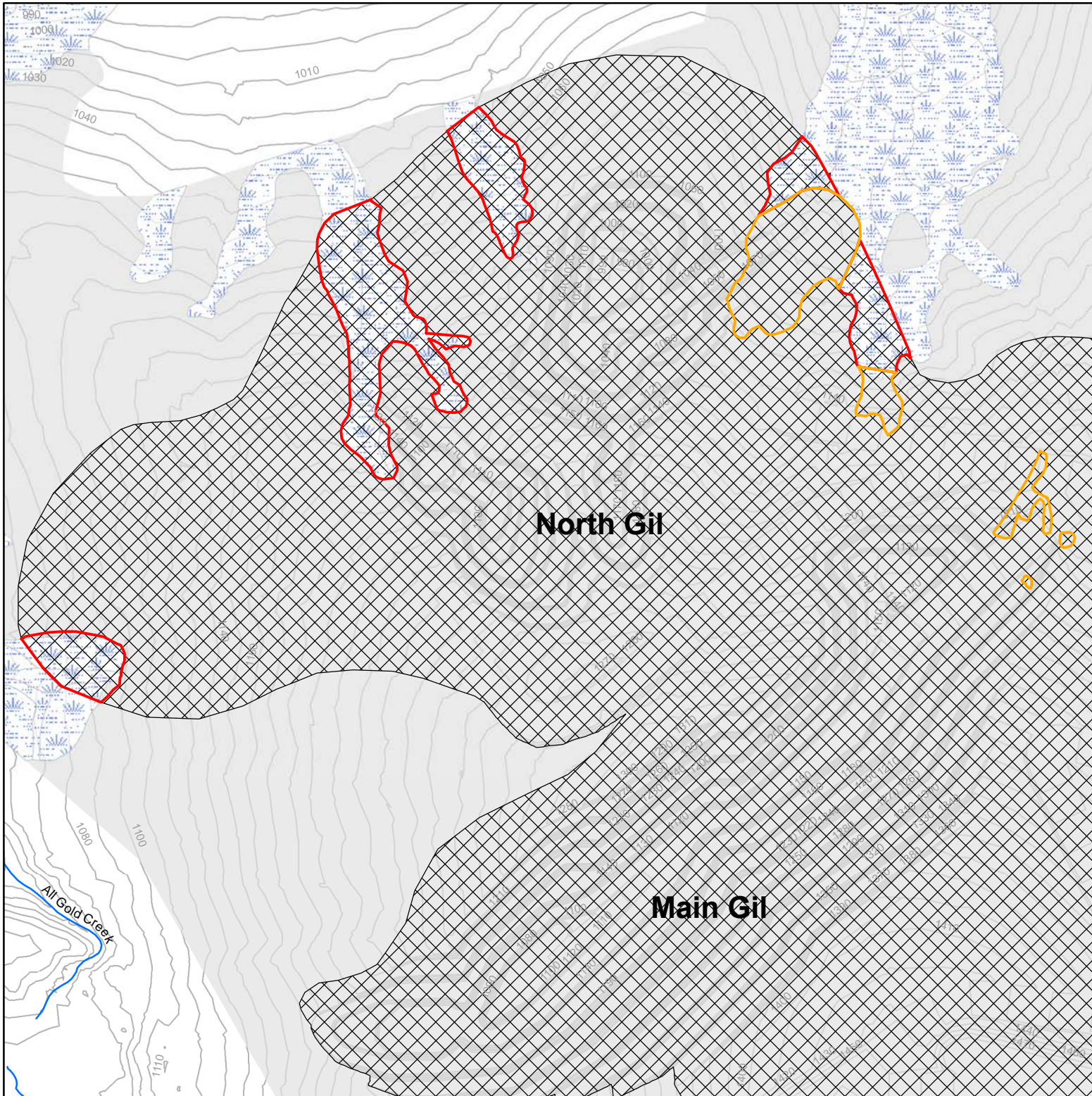
LEGEND:

— Contour 50'	Fort Knox Facility Disturbance	Ore Stockpile	Haul Road
— Contour 10'	Fort Knox Millsite Lease Boundary	Waste Rock Dump	Access Road
- - - Trail	TRO & DNR Claims	Pit	Sediment Pond
— Unpaved Road		Pit Buffer	Yard
- - - Drainage		Growth Media	Potential Diversion Berm


 0 1250 2500 3750 5000
 1" = 2,500'
 NAD 1927 StatePlane Alaska 3 FIPS 5003

Gil Mine Project Wetland Impacts

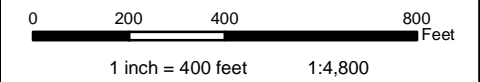
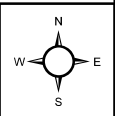




- 2023 Wetland Impact
- Previously Permitted
- Project Footprint
- Stream

Wetland Status

- Wetland
- Waterbody
- Tributary
- Upland



Coordinate System: NAD 1927 StatePlane Alaska 3 FIPS 5003
 Projection: Transverse Mercator
 Datum: North American 1927

Applicant: Fort Knox Gold Mine, Inc.

File No.: POA-2006-02047

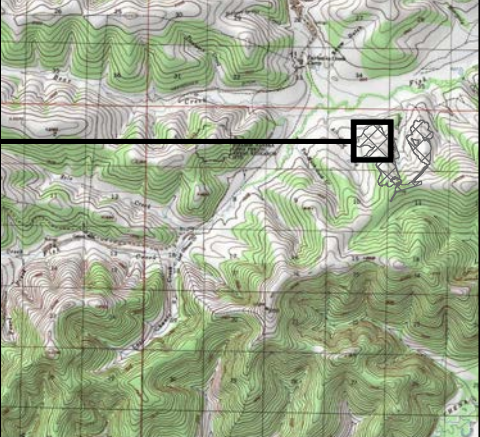
Waterway: Fish Creek

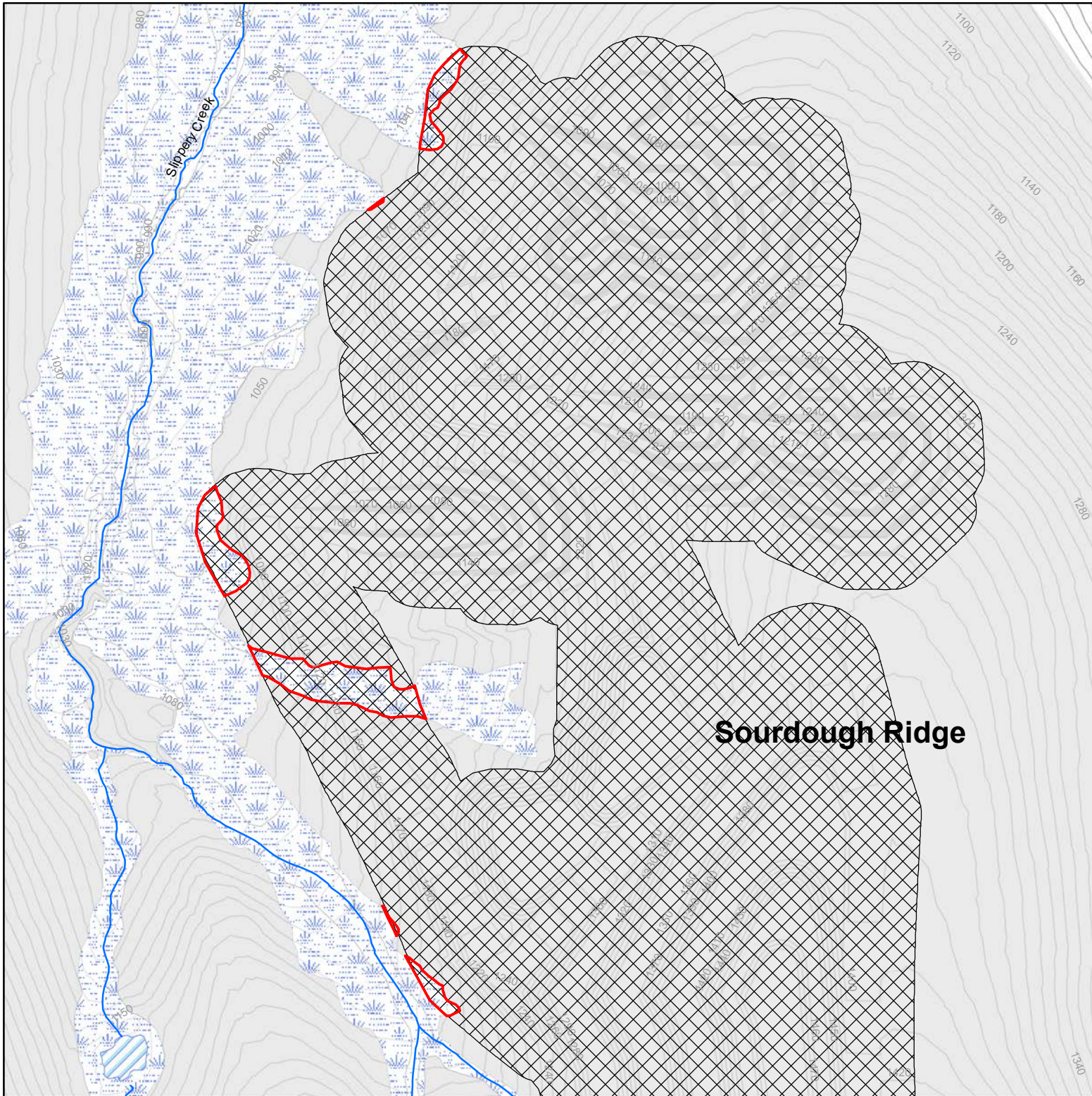
Proposed Activity: Mining operations at the Gil Project

Fairbanks Meridian | T2N, R3E, S 2, 3, 10, 11

Lat.: 65.0244 N Long.: 147.1047 W

Sheet: 3 of 5 January 2023



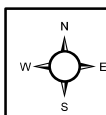


Legend

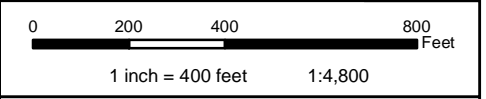
- 2023 Wetland Impact
- Previously Permitted
- Project Footprint
- ~ Stream

Wetland Status

- ~ Wetland
- ~ Waterbody
- ~ Tributary
- ~ Upland



N
W E
S



Coordinate System: NAD 1927 StatePlane Alaska 3 FIPS 5003
 Projection: Transverse Mercator
 Datum: North American 1927

Applicant: Fort Knox Gold Mine, Inc.

File No.: POA-2006-02047

Waterway: Fish Creek

Proposed Activity: Mining operations at the Gil Project

Fairbanks Meridian | T2N, R3E, S 2, 3, 10, 11

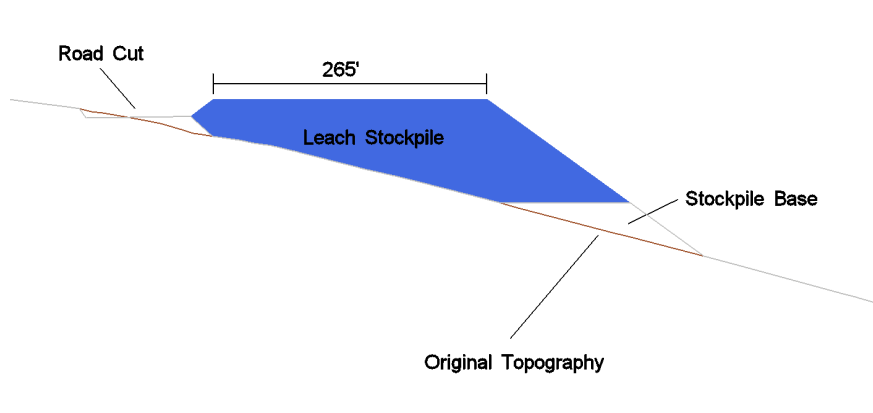
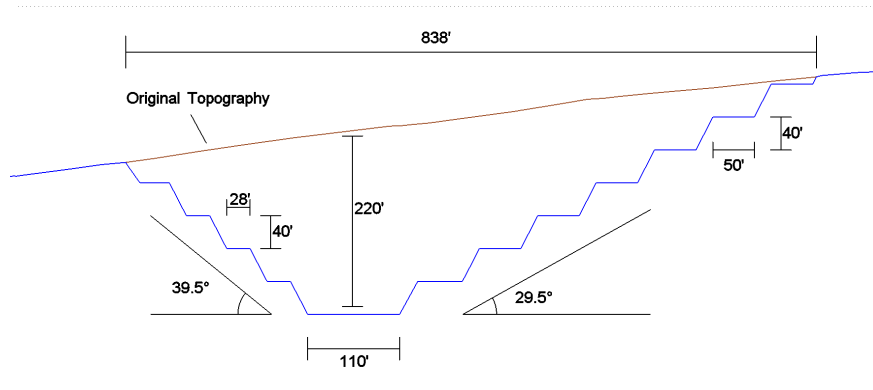
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Sheet: 4 of 5 January 2023

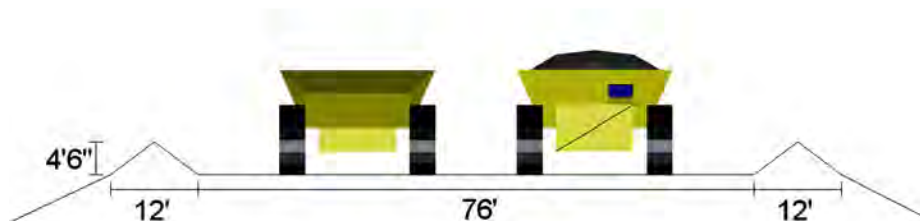


Sourdough Ridge

Pit and Stockpile Cross Sections



Typical Haul Road Cross Section



Applicant: Fairbanks Gold Mining Inc.	
File No.: POA-2006-02047	
Waterway: Fish Creek	
Proposed Activity: Mining operations at the Gil Project	
Fairbanks Meridian T2N, R3E, S 2, 3, 10, 11, 15, 16, 18-21 T2N, R2E; S 13	
Lat.: 65.0244 N	Long.: 147.1047 W
Sheet: 5 of 5	January 2023