1. Avoidance of impacts to waters of the U.S., including wetlands:

Please describe how, in your project planning process, you avoided impacts to waters of the U.S., including wetlands, to the maximum extent practicable. Examples of avoidance measures include site selection, routes, design configurations, etc...

Main method of avoidance Ferguson Placer Inc (FPI) will utilize is drilling. FPI will ensure that a viable resource has been proven before any ground is disturbed. This allows FPI to avoid disturbing ground that is barren or uneconomic. However, wetlands that have been found to have viable deposits cannot be avoided, will be mined and restored with as little impact as possible.

Unless required to undertake the mining plan no disturbance will be made within a 25 ft buffer zone on the banks of Walker Fork.

FPI's method of taking multiple conjoining passes greatly minimizes the amount of disturbance due to stockpiling overburden. As explained in A, when possible, overburden is stockpiled on the previously mined conjoining pass.

All temporary access roads are located on previously mined land either on the tailing behind the wash plant or on the previously mined cut next to the wash plant.

Camp/workshop/fuel storage areas are all located on previously mined land.

FPI operates a closed loop water system. All water used in the production process is 100% recycled and contained in the pond by a series of dams. As the mining operation progresses a new dam is built and the water is pumped back over as needed. This eliminates the need for settling ponds and evenly distributes the silt and sediment along the mined area where it came from.

All fuels and large quantities of harmful chemicals are properly stored with secondary containment to eliminate spillage into the waterways and wetlands.

2.Minimization of unavoidable impacts to waters of the U.S., including wetlands:

Please describe how your project design incorporates measures that minimize the unavoidable impacts to waters of the U.S., including wetlands, by limiting fill discharges to the minimum amount/size

As we can choose where economic deposits lie there will be certain unavoidable impact associated with this project. However, we will do our best to minimize these.

Some ways of minimizing are…

To minimize the disturbance caused by stockpiling overburden on unmined land, FPI Plans to remove all required organic overburden while it is still frozen. This prevents the material from thawing once its exposed and while its being handled. Frozen material can then be stacked in higher piles resulting in less total area disturbed. Stacking the material while frozen will also prevent the pile melting and seeping out over a large area. It has been found that the top layer of muck is enough to insulate the rest of the pile and keep it frozen throughout the summer months.

Due to the permafrost, it is required that an area must be open for a certain amount of time to thaw before it can be mined. FPI placer plans to minimize the time that land is left open by practicing continuous restoration. To help lessen the time between initial disturbance and restoration further, FPI will use various methods to help speed the thawing process. These have been outlined in Appendix A under the removal of overburden section. Utilizing these methods FPI expects the time between initial disturbance and restoration to be no greater than 2 years.

Having a series of dams filtering out sediment minimizes any seepage of water from the active cut. The silt will also have time to settle out in the ponds created by each dam. If any seepage manages to re enter the waterway, it would be sufficiently filtered and settled in order to pose no harmful effects.

A large portion of all diversions proposed by FPI will utilize existing abandoned stream channels. These channels will be cleared of silt and debris and re-engineered to insure that they can handle the flow rate of the stream in a flood with out adding excess sediment to the waterway.

FPI Plans to minimize the long term effects on the area by reclaiming the disturbed area to exceed the requirements of the land manager and to meet recommendations made by the Army Corps of Engineers. They plan to do this by back filing

overburden and contouring it to provide as much saturated soil as possible. A series of interconnected shallow ponds will also be created to restore and if possible enhance the off channel features that were present before mining.

Erosion will be minimized by restoring the disturbed area to a grade capable of maintaining any surface run off to a low energy flow. Reclaimed stream channels will also be restored to their natural grade. Low sloping banks will be established to prevent cutting and to contain the high flows associated with floods. Riprap will be used to further prevent erosion on high energy corners.

3.Compensation for unavoidable impacts to waters of the U.S., including wetlands:

Please describe your proposed compensatory mitigation to off set unavoidable impacts to waters of the U.S., or, alternatively, why compensatory mitigation is not appropriate or practicable for your project. Compensatory mitigation involves actions taken to offset unavoidable adverse impacts to waters of the U.S., including wetlands, streams and other aquatic resources(aquatic sites)authorized by Corps permits. Compensatory mitigation may involve the restoration, enhancement, establishment (creation), and/or the preservation of aquatic sites. The three mechanisms for providing compensatory mitigation are mitigation banks, in-lieu fee of mitigation, and permittee-responsible mitigation. Please see the attached definitions for additional

Restoration is the method of compensation proposed by FPI. All disturbed areas will be restored to the best of their ability. Areas those are not practicable to be restored to similar functionality as before mining will be compensated by enhancing the areas that are to exceed their previous functionality. This will be done by providing a series of connected off channel features to act as a relief to Walker Fork under flood conditions. These interconnected features will help reduce the energy of the stream and allow sediments to be deposited. Habitat for wildlife will also develop over time due to the variety of wetlands restored. Over a 5-10 year period FPI hopes to see the area restored to its previous functionality.