

# DEPARTMENT OF THE ARMY PERMIT

Permittee: Mr. Andy Cole, Donlin Gold, LLC

Permit No.: POA-1995-120

Issuing Office: U.S. Army Engineer District, Alaska

**NOTE:** The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

## **Project Description:**

To construct the Donlin Gold Mine Project (Project), an open-pit, hard-rock gold mine, in the Kuskokwim River watershed, located approximately 277 miles west of Anchorage, 145 miles northeast of Bethel, and 10 miles north of the community of Crooked Creek, Alaska. The following work is authorized:

The construction of all Project components (Mine Site, Transportation Corridor, and Pipeline) will result in the discharge of 4,368,300 cubic yards (cy) of fill material, permanently impacting 2,877 acres of wetland, 3 acres of fill below the Ordinary High Water Mark (OHWM) of the Kuskokwim River, and 172,844 linear feet of stream, and temporarily impacting 538 acres of wetland and 53,346 linear feet of stream.

## Mine Site

Specifically, the Mine Site construction will result in the discharge of 2,943,005 cy of fill material, resulting in the permanent loss of 2,572 acres of wetland and 171,000 linear feet of stream. The primary Project subcomponents of the Mine Site include Donlin-Jungjuk road (East of Crooked Creek), Laydown areas, Mine Internal Roads, North and South Overburden Stockpile, Open Pit, Snow Gulch Freshwater Reservoir, Tailings Storage Facility, Treated Water Discharge Facility, Material sites and Stockpiles, and Waste Rock Facility. See Engineering Drawings MA-200G through MA-214T for plan views of the Mine Site area (Attachment 1). The Mine Site subcomponents include the following impacts to waters of the U.S.:

- Donlin\_Jungjuk Road - will discharge 10,758 cy of shot rock, sand, and gravel resulting in the permanent loss 7 acres of wetland, and
- Laydown Areas - will discharge 225,068 cy of shot rock or sand and gravel resulting in the permanent loss of 140 acres of wetland and 1,146 linear feet of stream, and
- Mine Internal Roads - will discharge 192,100 cy of shot rock or sand and gravel resulting in the permanent loss of 119 acres of wetland and 4,444 linear feet of stream, and
- North Overburden Stockpile - will discharge 337,657 cy of overburden material resulting in the permanent loss of 209 acres of wetland and 3,876 linear feet of stream, and
- South Overburden Stockpile - will discharge 114,445 cy of overburden material resulting in the permanent loss of 71 acres of wetland and 2,699 linear feet of stream, and
- Open Pit - will discharge 48,361 cy of waste rock and overburden material resulting in the permanent loss of 550 acres of wetland and 14,665 linear feet of stream, and
- Snow Gulch Reservoir - will discharge 8,571 cy of shot rock resulting in the permanent loss of 42 acres of wetland and 6,363 linear feet of stream, and
- Tailing Storage Facility - will discharge 848,743 cy of shot rock resulting in the permanent loss of 526 acres of wetland and 67,373 linear feet of stream, and
- Treated Water Discharge Facility - will discharge 3,604 cy of shot rock or sand and gravel resulting in the permanent loss of 2 acres of wetland, and
- Material sites and Stockpiles - will discharge 440,348 cy of overburden material resulting in the permanent loss of 464 acres of wetland and 6,572 linear feet of stream, and

- Waste Rock Facility - will discharge 713,350 cy of waste rock and overburden material resulting in the permanent loss of 442 acres of wetland and 63,862 linear feet of stream.

#### Transportation Corridor

Specifically, the Transportation Corridor construction will result in the discharge of 156,280 cy of material, resulting in the permanent impact to 105 acres of wetland, 3 acres below the OHWM of the Kuskokwim River, and 1,844 linear feet of stream. The primary Project subcomponents of the Transportation Corridor include a port facility at Angyaruaq (Jungjuk), a 30-mile mine access road from the port (West of Crooked Creek), a 5,000-foot airstrip, airstrip spur road, material sites. See Engineering Drawings TA-300G through TA-316T for plan views of the Transportation Corridor (Attachment 1). The Transportation Corridor subcomponents include the following impacts to waters of the U.S.

- Jungjuk Port - will discharge 21,774 cy of sand and gravel, shot rock and riprap resulting in the permanent loss of 11 acres of wetlands and 3 acres below the OHWM of the Kuskokwim River, a navigable water of the U.S. The Port will result in the installation of 1,109 linear feet of sheet pile below the OHWM of the Kuskokwim River, and
- 30 Mile Mine Access Road - will discharge 77,238 cy of shot rock, sand, and gravel resulting in the permanent loss of 48 acres of wetland and 252 linear feet of stream, and
- Airstrip - will discharge 9,951 cy of shot rock, sand, and gravel resulting in the permanent loss of 6 acres of wetland, and
- Airstrip Spur Road - will discharge 482 cy of shot rock, sand, and gravel resulting in the permanent loss of 1 acre of wetland and 10 linear feet of stream, and
- Material Sites - will discharge 46,835 cy of crushed road aggregate resulting in the permanent loss of 40 acres of wetland and 1,582 linear feet of stream.

#### Pipeline

Specifically, the Pipeline construction will result in the discharge of 1,269,015 cy of material, resulting in the permanent loss of 200 acres of wetland and temporary impacts to 538 acres of wetland and 53,346 linear feet of stream. The Pipeline component includes the construction of a 14-inch-diameter steel Pipeline to transport natural gas approximately 316 miles from an existing 20-inch gas pipeline tie-in near Beluga, Alaska to the Mine Site power plant. Natural gas will be supplied to the Pipeline from existing Cook Inlet infrastructure. The Pipeline will require one compressor station at Milepost (MP) 0.4. An associated fiber optic line will be installed in the ROW corridor parallel to the natural gas pipeline for operational needs and communications. The primary Project subcomponents of the Pipeline include access routes, airstrips, block valves, work camps, horizontal directional drill (HDD) workspace, material sites, pipeline storage yards, pipeline, water extraction sites, and work pads. See Engineering Drawings PA-100G through PA-177 for plan views of the Pipeline (Attachment 1). The Pipeline subcomponents include the following impacts to waters of the U.S:

- Access Routes - will discharge 25,717 cy of shot rock or sand and gravel resulting in the temporary impact to 14 acres of wetland and 2,568 linear feet of stream, and
- Pipeline Airstrips - will discharge 18,561 cy of shot rock, sand, and gravel resulting in the temporary impact to 12 acres of wetland and 2,065 linear feet of stream, and
- Block Valves - will discharge 27 cy of shot rock, sand, and gravel resulting in the permanent impact to less than 1 acre of wetland, and
- Camps - will discharge 441 cy of shot rock, sand, and gravel resulting in the temporary impact to less than 1 acre of wetland and 136 linear feet of stream, and
- HDD Workspace - will discharge 6,459 cy of shot rock or sand and gravel resulting in the temporary impact to 4 acres of wetland and 898 linear feet of stream. In addition, there will be 1,363 linear feet of HDD pipeline installed underneath the South Fork of the Kuskokwim River, and
- Material Sites - will discharge 16,710 cy of shot rock, or sand and gravel resulting in the temporary impact to 10 acres of wetland and 1,291 linear feet of stream, and
- Pipeline Storage Yards - will discharge 4,784 cy of shot rock, or sand and gravel resulting in the temporary impact to 3 acres of wetland, and
- Pipeline - will discharge 1,194,894 cy of bedding material, shot rock, sand and gravel, trench spoils, and riprap resulting in the permanent loss of 200 acres of wetland and the temporary

- impact to 494 acres of wetland and 46,326 linear feet of stream, and
- Water Extraction Sites - will discharge 1,370 cy of shot rock, or sand and gravel resulting in the temporary impact to 1 acre of wetland and 62 linear feet of stream, and
- Work Pads - will discharge 52 cy of shot rock, or sand and gravel resulting in the permanent impact to less than 1 acre of wetland.

All work will be performed in accordance with the attached project plan (attachment 1), which is composed of the following engineering drawings, dated December 22, 2017:

- Engineering Drawing G001 – General Notes and Sheet Index
- Engineering Drawing G002 – Plan View Overall Project Vicinity Map
- Engineering Drawings MA-200G through MA-214T – Mine Area Drawings
- Engineering Drawings TA-300G through TA-316T – Transportation Area Drawings
- Engineering Drawings PA-100G through PA-177T – Pipeline Area Drawings

**Project Location:**

The Mine Site is located at Latitude 62.0179° N., Longitude 158.1884°W, 277-miles west of Anchorage and 10-miles north of Crooked Creek village. The river port (Jungjuk) is located on the north bank of the Kuskokwim River approximately 9-river miles south of Crooked Creek village at Latitude 61.7952° N, Longitude 158.2142° W. The Mine Site airstrip is located approximately 15.5-miles northwest of Crooked Creek village at Latitude 62.0319°N, Longitude 158.2351°W. The natural gas pipeline tie in near the community of Beluga at Latitude 61.2694° N Longitude 150.9017°W.

**Permit Conditions:**

**General Conditions:**

1. The time limit for completing the work authorized ends on August 31, 2038. If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.
2. You must maintain the activity authorized by this permit in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.
3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and State coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.
4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.
5. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached (attachment 2) if it contains such conditions.
6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

**Special Conditions:**

1. The permittee agrees to provide all contractors associated with construction of the authorized activity a copy of the permit and drawings. A copy of the permit will be available at the construction site at all times.

2. The permittee shall ensure that the project minimizes alterations to water circulation patterns to the extent practicable. If it is determined by the Corps that the project negatively impacts the hydrology within the wetland, the Permittee may be required to take additional measures (i.e. install additional depressed road beds, culvert(s), or a similar water conduit) beneath the road to re-establish the hydrology of the area to that of pre-construction conditions.

3. Prior to commencement of construction activities within waters of the U.S., the Permittee shall clearly identify the permitted limits of disturbance at the project site with highly visible markers (e.g. construction fencing, flagging, silt barriers, etc.). The permittee shall properly maintain such identification until construction is complete and the soils have been stabilized. The permittee is prohibited from conducting any unauthorized Corps-regulated activity outside of the permitted limits of disturbance (as shown on the permit drawings).

4. The permittee shall submit a signed compliance certification (attachment 3) to the Corps within 60 days following completion of the authorized work and any required mitigation. The certification will include: 1) A copy of this permit; 2) A statement that authorized work was done in accordance with the Corps authorization, including any general or specific conditions; 3) A statement that any required mitigation was completed in accordance with the permit conditions; 4) The signature of the Permittee certifying the completion of the work and mitigation.

5. The permittee understands and agrees that the Department of the Army permit has been issued based upon the Permittee's intended purpose to produce gold from the Donlin deposit ore reserves using mining processes, infrastructure, logistics, and an energy supply(s) practicable for application in remote western Alaska in accordance with the permitted plans. The permittee recognizes that its commitment to construct and operate the mine pursuant to the Project details described in the Department of the Army permit application.

6. Prior to the initiation of any work authorized by this permit, the Permittee shall install erosion control measures along the perimeter of all work areas to prevent the displacement of fill material outside the authorized work areas into waters of the United States. Immediately after completion of the final grading of the land surface, all slopes, land surfaces, and filled areas shall be stabilized using sod, degradable mats, barriers, or a combination of similar stabilizing materials to prevent erosion. The erosion control measures shall remain in place and be maintained until all authorized work is completed and the work areas are stabilized.

7. No fill material, equipment or construction materials shall be stockpiled or stored on wetlands that do not have DA authorization for those activities, as shown on the project plans.

8. The Permittee shall comply with the Federal Endangered Species Act, the Permittee must implement all of the mitigating measures identified in the enclosed U.S. Fish and Wildlife Service letter of concurrence (FWS 2017-I-0343, dated November 2, 2017) (attachment 4) and National Marine Fisheries Service letter of concurrence (POA-1995-120, NMFS #AKR-2018-9745, dated March 29, 2018) (attachment 5), including those ascribed to the Corps therein. If the Permittee is unable to implement any of these measures, the Permittee must immediately notify the Corps, the U.S. Fish and Wildlife Service, and the National Marine Fisheries Service so we may consult as appropriate, prior to initiating the work, in accordance with Federal law.

9. The Permittee shall implement the attached (attachment 6) Programmatic Agreement (PA), entitled "Programmatic Agreement by and among the U.S. Army Corps of Engineers, U.S. Bureau of Land Management, Advisory Council on Historic Preservation, Alaska State Historic Preservation Officer, Alaska Department of Natural Resources, and Donlin Gold, LLC Regarding the Donlin Gold Project", dated June 28, 2018, in its entirety. The Corps has been designated the lead federal agency responsible for implementing and enforcing the PA as signed. If the Permittee fails to comply with the implementation and associated enforcement of the PA the Corps may determine that the Permittee is out of compliance with the conditions of the Department of the Army permit and suspend the permit. Suspension may result in modification or revocation of the authorized work.

10. Should any other agency require and/or approve changes to the work authorized or obligated by this permit, the Permittee is advised a modification to this permit may be required prior to initiation of those

changes. It is the Permittee's responsibility to request a modification of this permit. The Corps reserves the right to fully evaluate, amend, and approve or deny the request for modification of this permit.

### **Compensatory Mitigation**

11. Mitigation Plan. Prior to initiation of construction activities within waters of the U.S., Donlin Gold shall implement the mitigation plan (attachment 7) "Compensatory Mitigation Plan", dated July 2018, a subpart of Block 23 of the DA application, proposed by Donlin Gold and which is incorporated herein by reference. The permittee must implement the mitigation in accordance with the plan and any permit conditions. If conflicts occur between this mitigation plan and any permit conditions, the permit conditions shall prevail.

12. Performance Standards. Prior to initiation of construction activities within waters of the U.S., the permittee shall submit for Corps review and approval a draft of the final performance standard parameters and values for restoration and preservation. The performance standards shall be in substantial compliance with 33 CFR 332.5 and the mitigation plan. Corps review and approval must be obtained prior to initiation of construction activities within waters of the U.S.

13. In-Lieu Fee Program. Prior to initiation of construction activities within waters of the U.S., the permittee shall purchase 3.6 Riverine released credits and 6.2 Slope wetland released credits from Great Land Trust In-Lieu Fee Program for the loss of 1.78 acres of Riverine and 2.76 acres of Slope wetlands. You must email the signed credit transaction form to mitigationmanager@usace.army.mil and to the Project Manager via Regulatory Pagemaster at: regpagemaster@usace.army.mil upon completion of credit transaction (see form attached). If the permittee is unable to complete this transaction, the permittee is required to obtain a permit modification prior to commencing the work authorized by this permit for approval of an alternate mitigation method.

14. Site Protection. Prior to initiation of construction activities within waters of the U.S., the permittee shall ensure all compensatory mitigation parcels are provided long-term protection through a restrictive covenant (deed restriction). This site protection instrument must be approved by the Corps prior to the recording of the restrictive covenant. To obtain this approval, the permittee shall submit a draft of the restrictive covenant, including all supporting documentation necessary for the review of the restrictive covenant, e.g. title reports, title insurance, any liens or other encumbrances/interests, surveys and legal descriptions, etc. The restrictive covenant shall be in substantial compliance with 33 CFR 332.7(a). After Corps review and approval, the permittee shall take actions required to record the deed restrictions with the Registrar of Deeds or other appropriate official charged with the responsibility for maintaining records of title to or interest in real property. The permittee shall provide a copy of the recorded document to the Corps clearly showing a stamp from the appropriate official indicating the book, page and date prior to initiation of construction activities within waters of the U.S.

15. Financial Assurances. Prior to initiation of construction activities within waters of the U.S., the permittee shall ensure financial assurances are in place. The permittee shall:

(a) Prior to the establishment of the required financial assurances, the permittee shall submit for Corps review and approval detailed cost estimates that include, but are not limited to the cost of providing replacement mitigation, including costs for land acquisition, planning and engineering, legal fees, mobilization, construction, monitoring, and contingencies. These estimates shall be to a sufficient level of detail and take into account the replacement mitigation being conducted by a competent third-party.

(b) Submit for Corps review and approval a draft of the proposed financial assurance. The assurances shall be compliant with 33 CFR 332.3(n) and must be in a form that ensures that the District Engineer will receive notification at least 120 days in advance of any termination or revocation. For third-party assurance providers, this may take the form of a contractual requirement for the assurance provider to notify the district engineer at least 120 days before the assurance is revoked or terminated.

(c) Provide a plan for phasing out required financial assurances once the compensatory mitigation project has been determined by the district engineer to be successful in accordance with its performance standards. The permittee shall submit for Corps review and approval draft performance standards that shall clearly identify the conditions under which the financial assurances are to be released.

16. Long-Term Management Plan. Prior to initiation of construction activities within waters of the U.S., the permittee shall ensure long-term management plans for all compensatory mitigation parcels are

established. The permittee shall submit for Corps review and approval a draft of the proposed long-term management plans. These long-term management plans must describe how the compensatory mitigation project will be managed after performance standards have been achieved to ensure the long-term sustainability of the resource, including long-term financing mechanisms and the party responsible for long-term management. The long-term management plans shall be in substantial compliance with 33 CFR 332.7(d). The permittee may transfer the long-term management responsibilities of the compensatory mitigation project sites to a land stewardship entity, such as a public agency, non-governmental organization, or private land manager, after review and approval by the Corps.

**Section 10 Only**

17. Your use of the permitted activity must not interfere with the public's right to free navigation on all navigable waters of the U.S.

18. You must install and maintain, at the Permittee's expense, any safety lights and signals prescribed by the U.S. Coast Guard (USCG), through regulations or otherwise, on the Permittee's authorized facilities. The USCG may be reached at the following address and telephone number: Commander (oan), 17th Coast Guard District, P.O. Box 25517, Juneau, Alaska 99802, (907) 463-2272.

19. The permittee understands and agrees that, if future operations by the U.S. require the removal, relocation, or other alteration, of the structure or work herein authorized, or if, in the opinion of the Secretary of the Army or his authorized representative, said structure or work shall cause unreasonable obstruction to the free navigation of the navigable waters, the Permittee will be required, upon due notice from the Corps of Engineers, to remove, relocate, or alter the structural work or obstructions caused thereby, without expense to the U.S. No claim shall be made against the U.S. on account of any such removal or alteration.

**Further Information:**

1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to:

(X) Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).

(X) Section 404 of the Clean Water Act (33 U.S.C. 1344).

( ) Section 103 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1413).

2. Limits of this authorization.

a. This permit does not obviate the need to obtain other Federal, State, or local authorization required by law.

b. This permit does not grant any property rights or exclusive privileges.

c. This permit does not authorize any injury to the property or rights of others.

d. This permit does not authorize interference with any existing or proposed Federal project.

3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:

a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.

b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.

d. Design or construction deficiencies associated with the permitted work.

e. Damage claims associated with any future modification, suspension, or revocation of this permit.

4. Reliance on Applicant's Data: The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.

5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:

a. You fail to comply with the terms and conditions of this permit.


b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).

c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measures ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

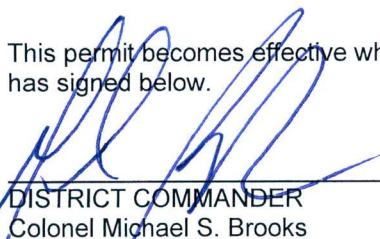
6. Extensions. General Condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give favorable consideration to a request for an extension of this time limit.

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

  
\_\_\_\_\_  
GENERAL MANAGER  
Andrew P. Cole

8/13/18  
\_\_\_\_\_  
(DATE)

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

  
\_\_\_\_\_  
DISTRICT COMMANDER  
Colonel Michael S. Brooks

13AV62018  
\_\_\_\_\_  
(DATE)

When the structures or work authorized by this permit are still in existence at the time the property is transferred the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions have the transferee sign and date below.

\_\_\_\_\_  
(TRANSFEREE)

\_\_\_\_\_  
(DATE)