



US Army Corps  
of Engineers  
Alaska District

# Public Notice of Application for Permit

Regulatory Division (1145)  
CEPOA-RD  
2175 University Avenue, Suite 201E  
Fairbanks, Alaska 99709-4927

<b>PUBLIC NOTICE DATE:</b>	<b>March 22, 2017</b>
<b>EXPIRATION DATE:</b>	<b>April 20, 2017</b>
<b>REFERENCE NUMBER:</b>	<b>POA-2016-433, APMA 9067</b>
<b>WATERWAY:</b>	<b>Coffee Creek</b>

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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.

Comments on the described work, with the reference number, 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 Deb McAtee at (907) 907-474-2166, by fax at (907) 474-2164, or by email at [Debby.J.McAtee@usace.army.mil](mailto:Debby.J.McAtee@usace.army.mil) if further information is desired concerning this notice.

**APPLICANT:** Mr. Barry Clay, Aurquest Alaska, Incorporated, P.O. Box 1869, Nome, Alaska, 99762

**LOCATION:** The project site is located within Sections 17 and 18, T. 2 S., R. 29 W., Kateel River Meridian; USGS Quad Map Bendeleben B-6; Latitude 65.3115° N., Longitude 164.7086° W.; US Mineral Survey 1875; 80 Mile Taylor Highway, (aka Kougarak Road), near Nome, Alaska.

**PURPOSE:** The applicant's stated purpose is to produce commercial quantities of precious metals from two locations on private lands. Also extend stream diversion from 1,500 feet to a total length of 2,200 feet.

**PROPOSED WORK:** The applicant proposes to discharge approximately 26,130

cubic yards (cy) of material into approximately 1.9 acres of wetlands and stream riparian areas as part of a 8.9 acre mining operation. The proposed work would recover precious metals from shallow alluvial deposits at two locations by reworking old mine tailings and areas that have been previously disturbed by earlier mining activities. Place two smaller excavations in previously disturbed, but unmined locations along the south bank (right-limit) to collect and process large bulk samples. Excavate smaller trenches or drill small diameter holes at ten locations to explore and prospect for additional alluvial precious metal deposits. Construct a stream bypass approximately 2,200 feet long along the north bank of Coffee Creek to protect the stream from mining activities related to reprocessing old mine tailings on the valley floor. Conduct reclamation of the valley floor, bulk sample pits, and prospecting sites after applicant's mining activities are completed. All work would be performed in accordance with the enclosed plan (sheets 1-18), dated January 24, 2017.

#### ADDITIONAL INFORMATION:

Historical Information: The valley floor of Coffee Creek was extensively mined by mechanical methods in the period preceding WW2 and at various times after the war. Proposed new mining will take place in areas that have been previously mined or prospected by the earlier miners and prospectors. Exploration with small trenches or drill holes will take place in areas that have yet to be prospected in advance of larger excavations. Previous to 2016 construction, Coffee Creek flowed through a sparsely vegetated floodplain of old mine tailings in a channel from 3 to 12 feet wide and from several inches to 12 inches deep.

Work Already Completed: In 2016, about 1,500 lineal feet of the stream bypass was constructed in previously mined ground along the north bank, (left-limit). A mine pit about 600 feet long by 100 feet wide was prepared on the valley floor and approximately 10,000 cubic yards of old mine tailings and bedrock were processed by sluicing into a small pond, (150' x 75' x 3' deep), placed in old mine tailings to recycle process water.

The upper bulk sample pit was initiated measuring about 100 feet long by 30 feet wide. Less than 100 cy of placer material was processed to prospect this site.

#### Agency Approvals:

- Alaska Department of Natural Resources: March 21, 2016
- Alaska Department Environmental: June 28, 2016
- Alaska Fish & Game, Fish Habitat Permit: March 22, 2016

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.

**Avoidance:** Avoidance of waters of the United States (U.S.), including wetlands, would not be possible because the streams and wetlands are present where the applicant proposes to mine. Mining only uplands would not meet the applicant's stated project purpose.

**b. Minimization:** Mining would take place only in areas that have been found to contain gold-bearing placer and that the applicant believes would likely be economically viable. Exploration would take place in areas of discontinuous permafrost along margins of earlier mine workings and suspected to be gold-bearing, but without supporting prospect information. Current proposed mining would take place in areas that have been previously mined or disturbed to limit disturbance to adjacent wetlands. If overburden is placed outside of previously disturbed ground, it would be stacked as high as possible with an excavator to minimize the area of disturbance.

A temporary stream bypass would be placed along the north margin of previously mined ground in old tailings and discontinuous abandoned channels to protect flowing waters from mining activities. A 25 foot buffer of sparse, natural vegetation would be maintained between the bypass and the mine pit.

**c. Compensatory Mitigation:** It is proposed to conduct permittee-responsible mitigation. The lands to be worked are private land and may have valuable post-mining use, including subdivision for remote cabin sites. Therefore, it is desirable for Aurquest to reclaim the lands in an aesthetically pleasing and "value-added" fashion and also help to restore aquatic resource function.

All mining and prospecting related excavations would be backfilled, contoured, and graded over with available organic material to blend with the natural surroundings and promote natural revegetation.

After mining is complete, the stream would be relocated in the same location as the bypass, but reconfigured as a permanent channel with a wider floodplain to accommodate a 20 year flood event. The stream would be constructed to promote and enhance natural revegetation of stream banks for riparian habitat of native species of flora.

Where possible, shallow ponds would be created outside of the re-established stream channel to restore functional lift to the existing dry tailings habitat and establish new lacustrine and wetlands habitats on banks surrounding the ponds. Pond banks would be contoured at shallow slopes (1:20) to prevent future erosion and cut banks. Ponds would also serve to control floodwaters and retain settle-able solids.

**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. There is an unevaluated property in the vicinity of the worksite. It has been designated **BEN-141**. Because the property has been determined to be outside of the project area, no further action is required. Consultation of the AHRs constitutes the extent of cultural resource investigations by the District Commander at this time. This application is being coordinated with the State Historic Preservation Office (SHPO). Any comments SHPO 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, and the project would have no effect to listed species.

**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 the National Marine Fisheries Service (NMFS) on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH).

The project area is within the known range of the Coho and Pink Salmon. We have determined the described activity would not adversely affect EFH in the project area provided they follow all conditions noted in their Fish Habitat Permit. A Fish Habitat Permit was issued by Alaska Department of Fish and Game on March 22, 2016.

**TRIBAL CONSULTATION:** The Alaska District 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 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 of Engineers 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 of Engineers 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 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 and a Notice of Application for State Water Quality Certification are enclosed with this Public Notice.

District Commander  
U.S. Army, Corps of Engineers

Enclosures

# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION  
DIVISION OF WATER  
401 Certification Program  
Non-Point Source Water Pollution Control Program

DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
WQM/401 CERTIFICATION  
555 CORDOVA STREET  
ANCHORAGE, ALASKA 99501-2617  
PHONE: (907) 269-7564/FAX: (907) 334-2415

## NOTICE OF APPLICATION FOR STATE WATER QUALITY CERTIFICATION

Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' Public Notice No. **POA-2016-433, Coffee Creek, APMA 9067**, serves as application for State Water Quality Certification from the Department of Environmental Conservation.

After reviewing the application, the Department may certify there is reasonable assurance the activity, and any discharge that might result, will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

Any person desiring to comment on the project, with respect to Water Quality Certification, may submit written comments to the address above by the expiration date of the Corps of Engineer's Public Notice.

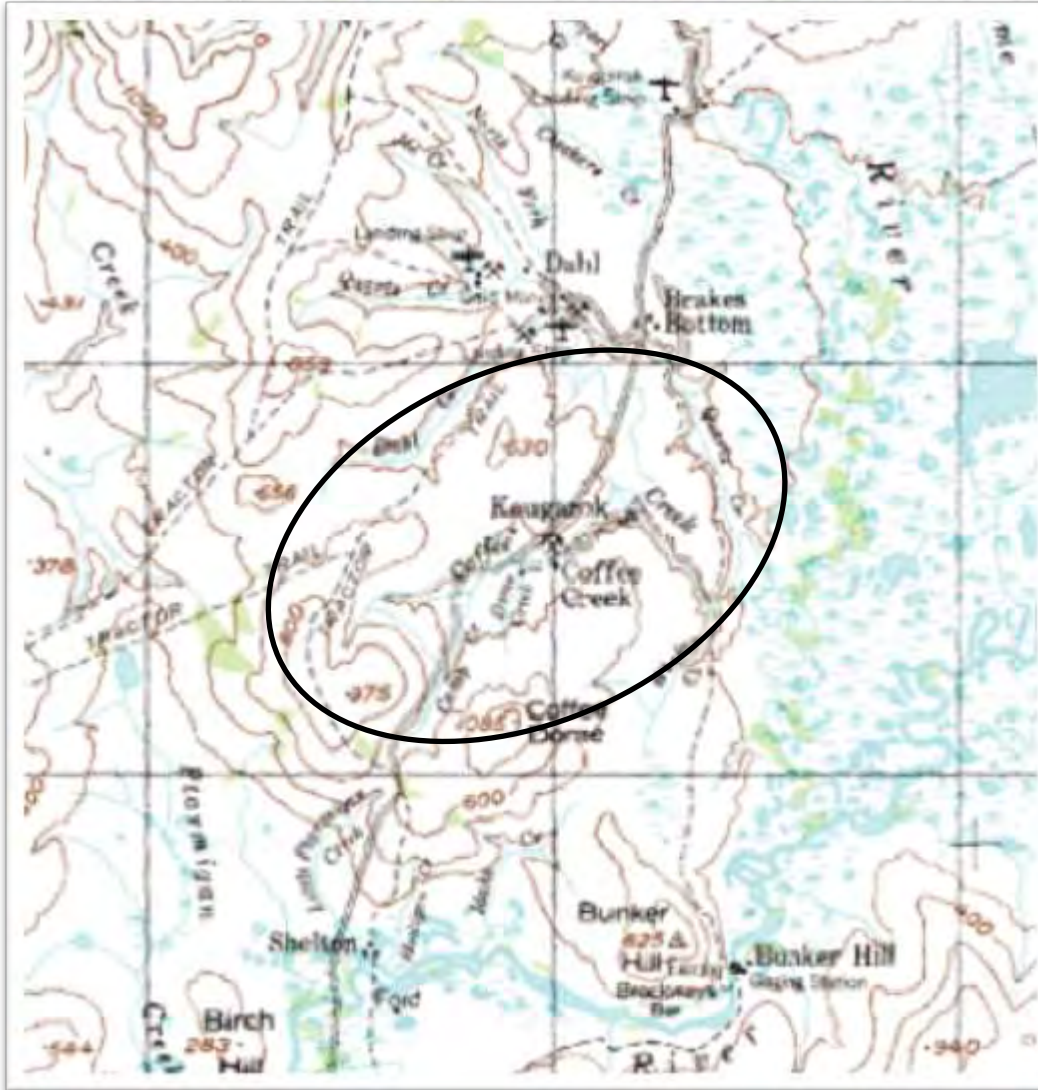
# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, 2016 to 2020, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'

APMA F-179067

24 January 2017

Figure 1.



AURQUEST ALASKA INC.  
MINERAL ESTATE  
USMS 1875  
USMS 1144  
On COFFEE CREEK



POA-2016-433, Coffee Creek  
APMA 9067  
Sheet 1 of 18 Jan 24, 2017

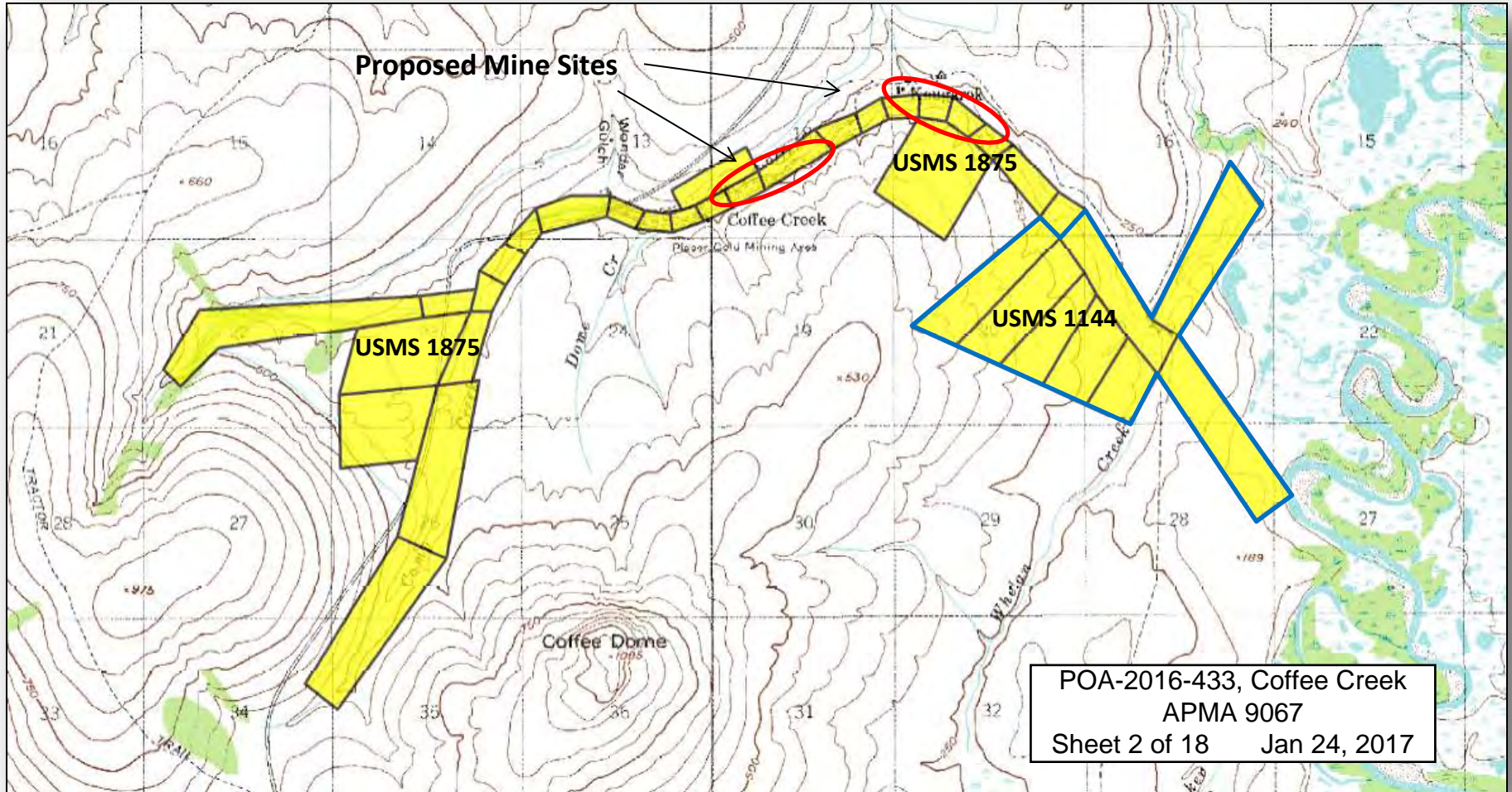
# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, 2016 to 2020, Amendment #1  
Bendleben (B-6)..... N65° 18.690' & W164° 42.514'  
Claim Map – USMS 1875 & USMS 1144  
KRM, T2S, R29W, S-17 & 18

APMA F-179067

24 January 2017

Figure 2.



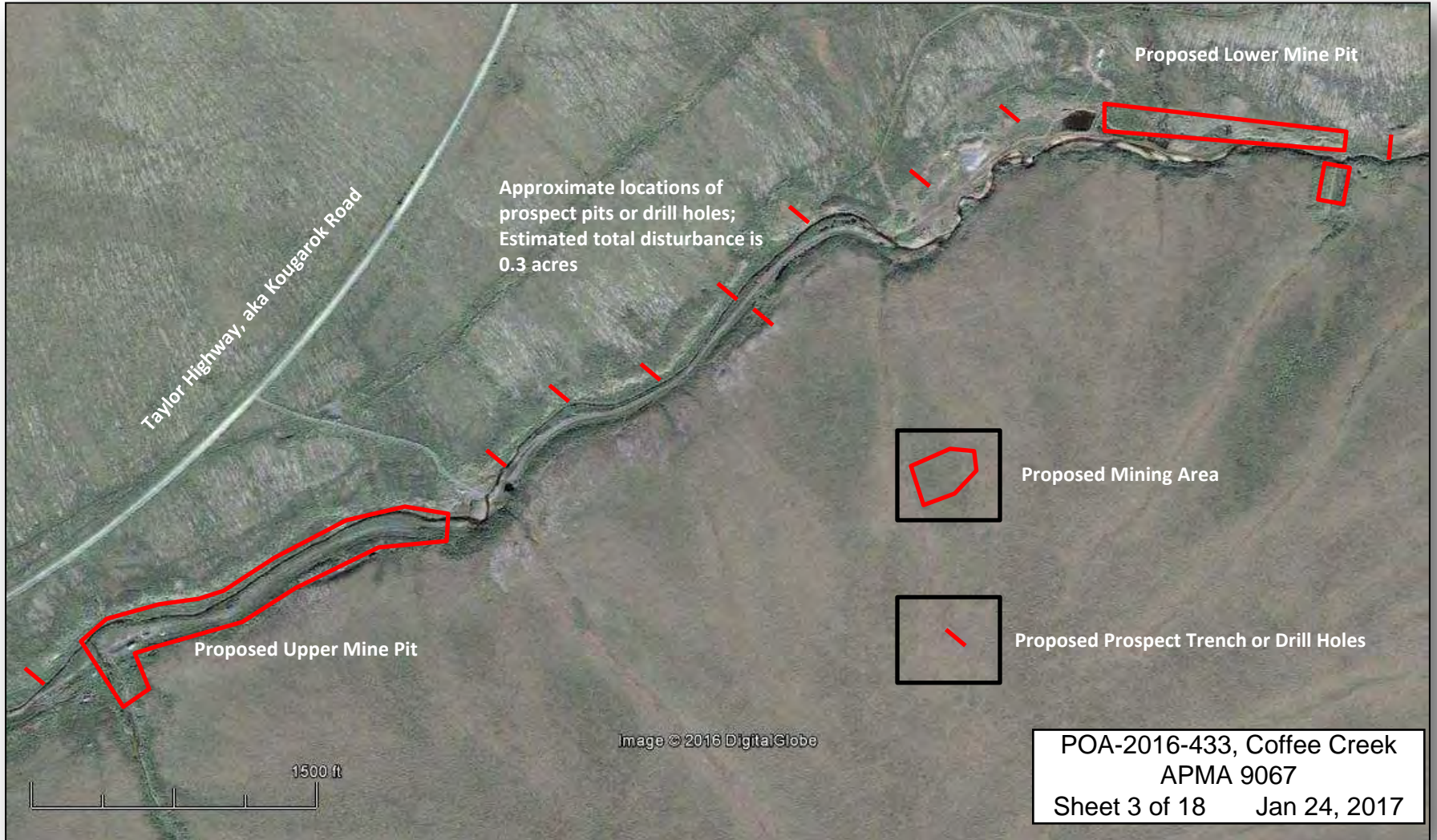


# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'  
Exploration and Mine Plan

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24 January 2017

Figure 3.





# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, 2016 to 2020

Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'

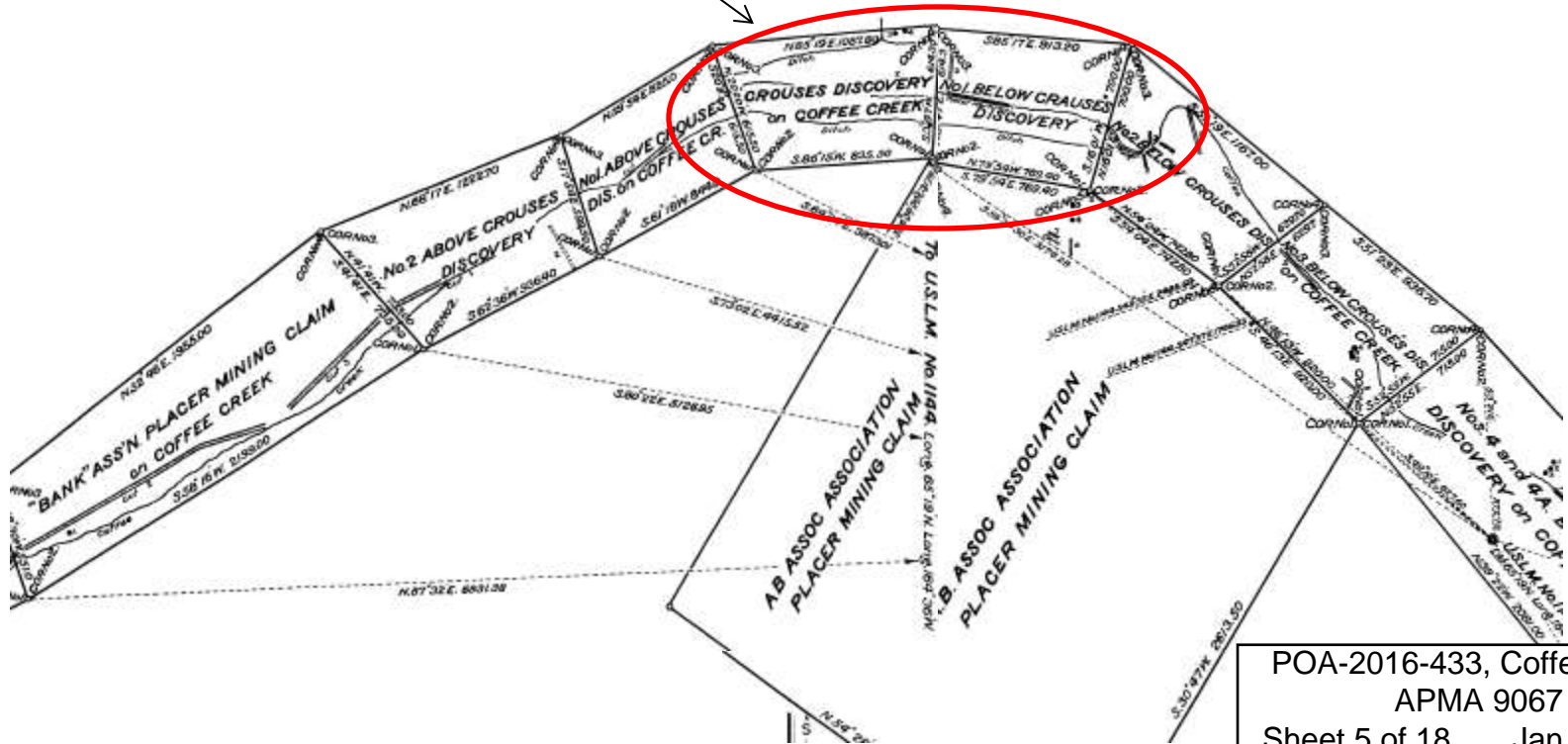
Composite Mineral Survey – USMS 1875

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Figure 5.

Proposed Lower Mine Area



**Aurquest Alaska Inc.**

**Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'  
Surface Conditions in 2015, Upper Mine Pit Area**

**APMA F-9067  
24 January 2017**

**Figure 6.**



Image © 2016 DigitalGlobe

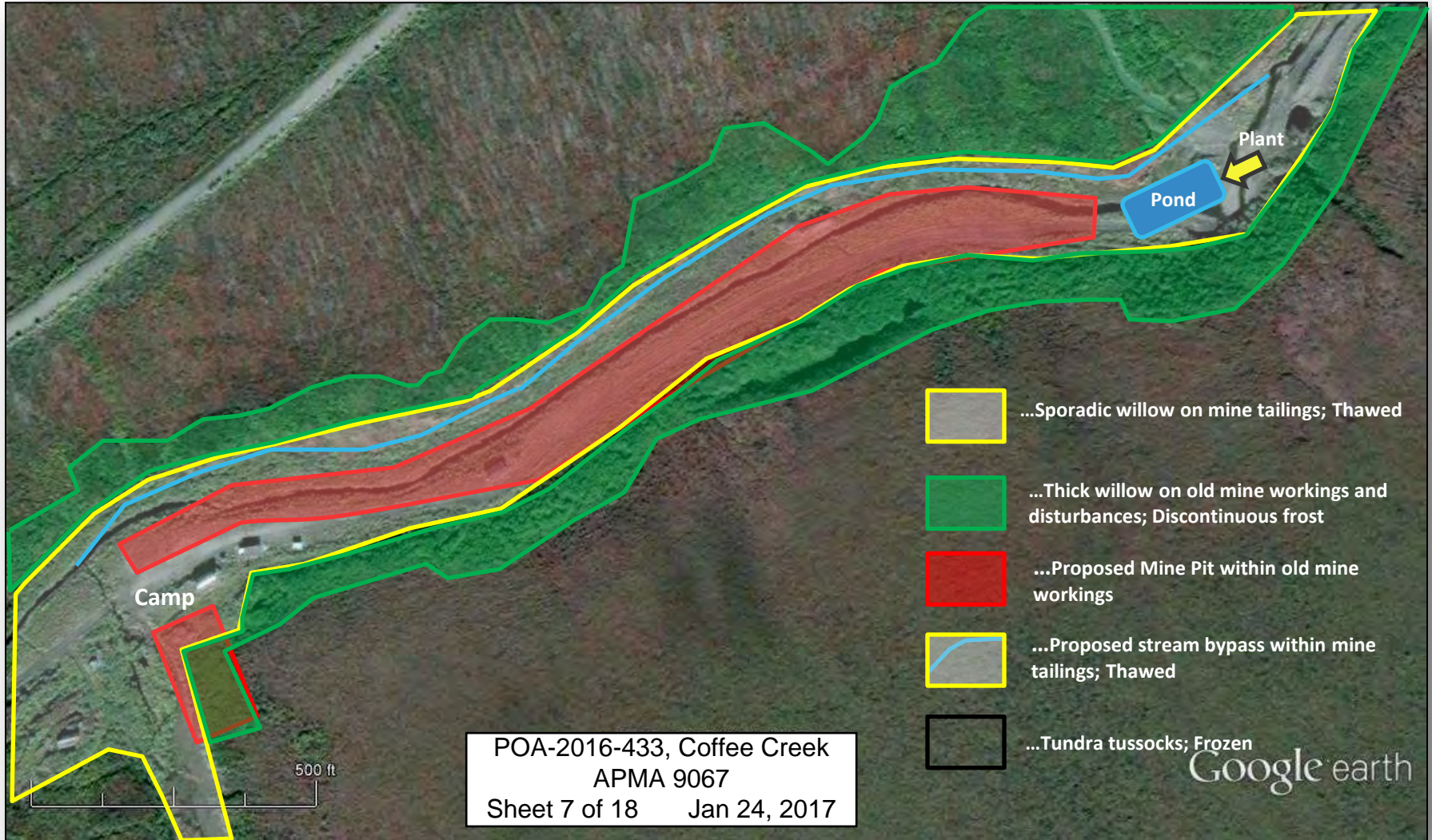
# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'  
Upper Mine Pit... Surface Conditions

APMA F-9067

24 January 2017

Figure 7.



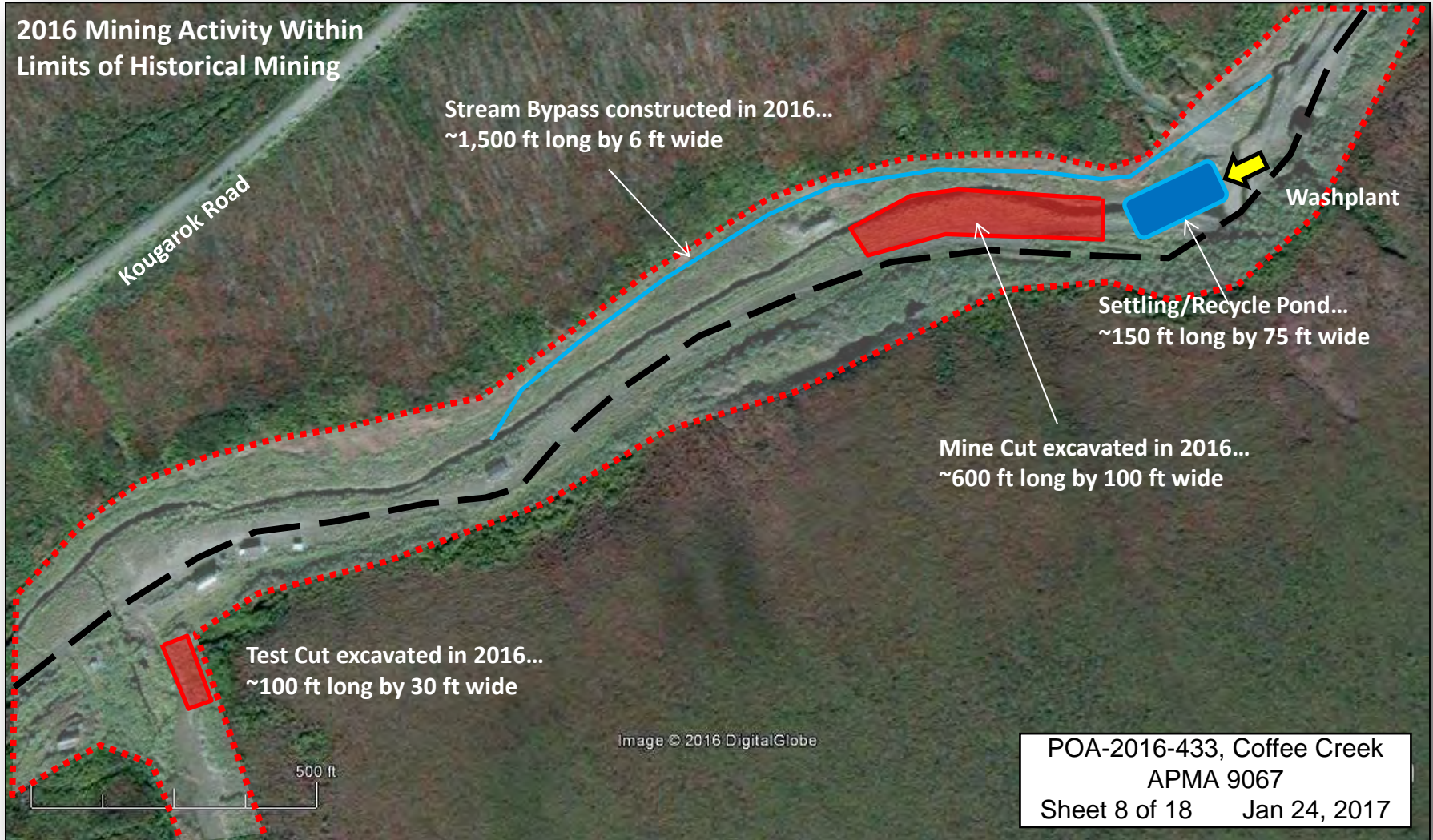
# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6).... N65° 18.690' & W164° 42.514'  
Upper Mine Pit, 2016 Mine Workings

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Figure 8.



# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, Amendment #1

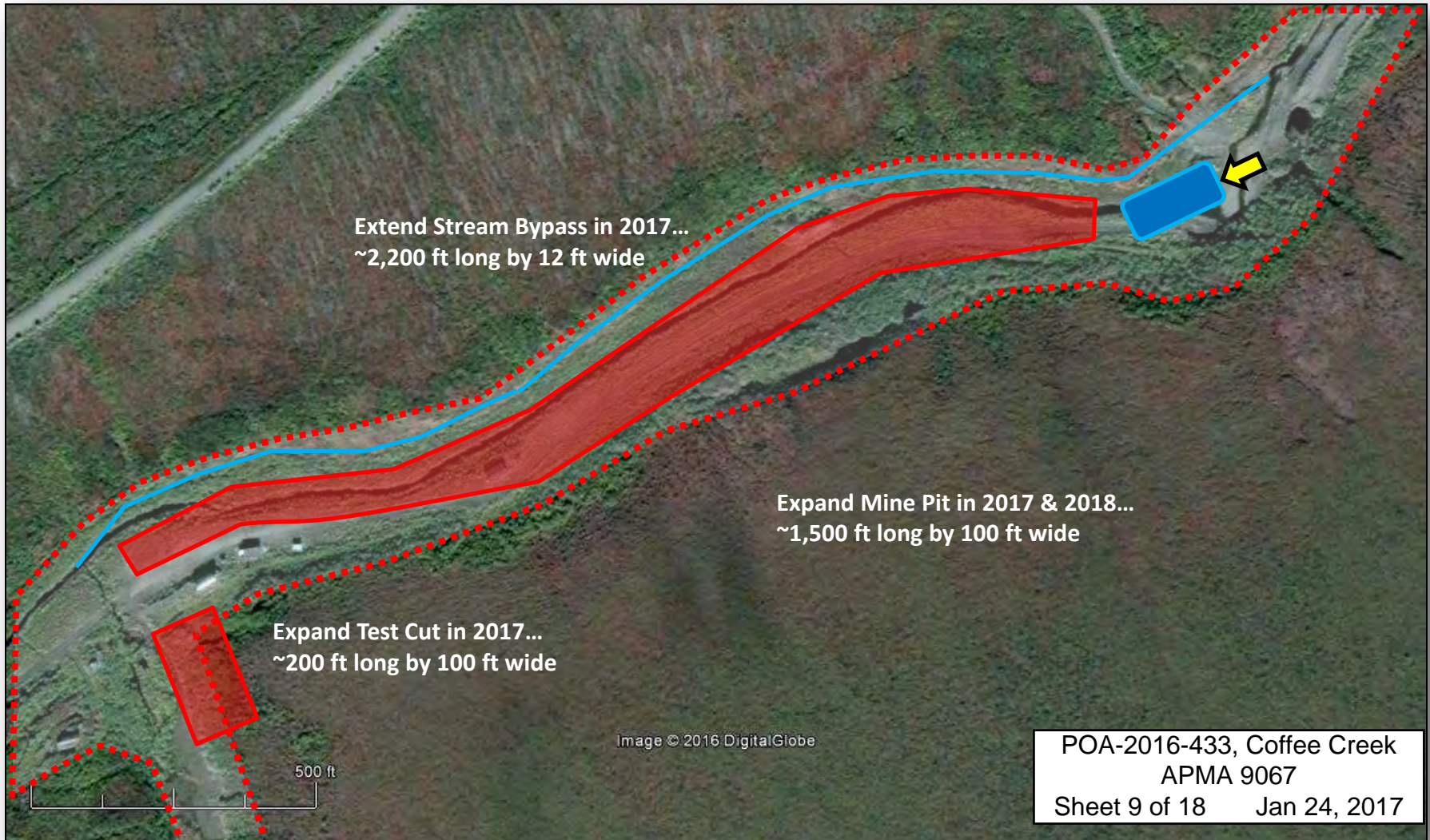
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'

Upper Mine Pit, Proposed Expansion of Mine Workings

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24 January 2017

Figure 9.



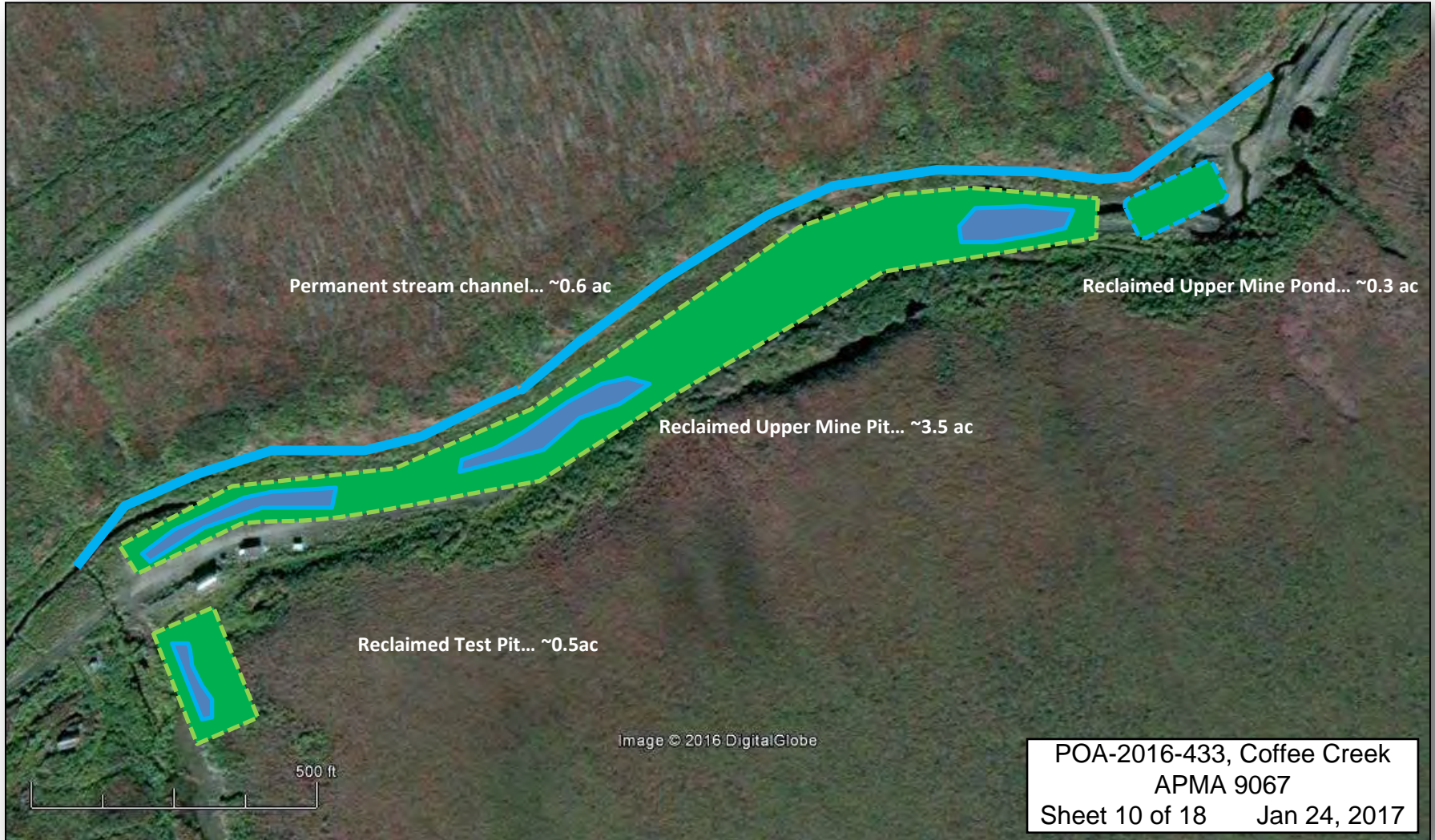
# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'  
Upper Mine Pit, Reclamation Plan

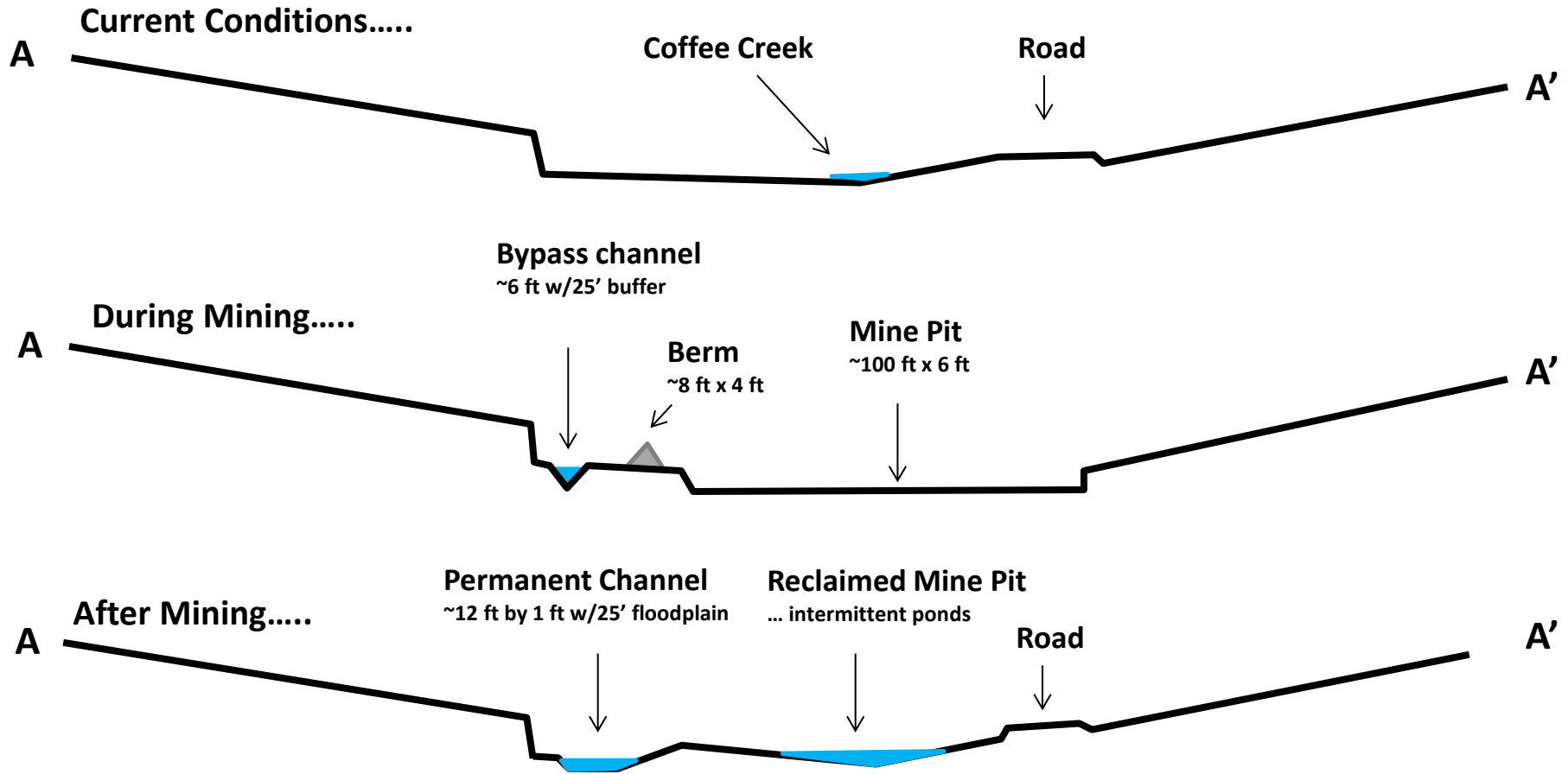
APMA F-9067

24 January 2017

Figure 10.







POA-2016-433, Coffee Creek  
APMA 9067  
Sheet 11 of 18 Jan 24, 2017

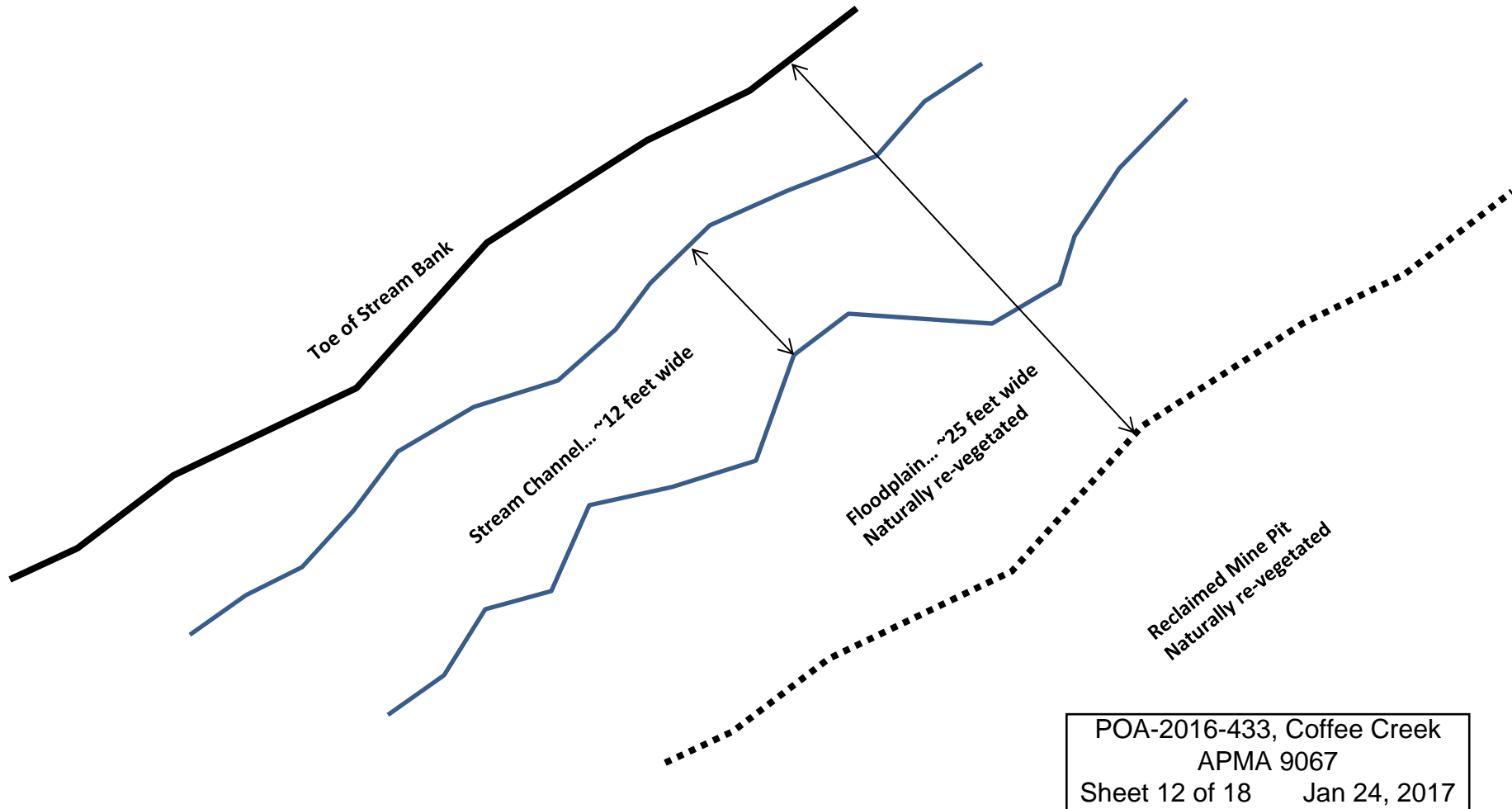
# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'  
Stream Bypass Plan View at Upper Pit

APMA F-9067

24 January 2017

Figure 12.



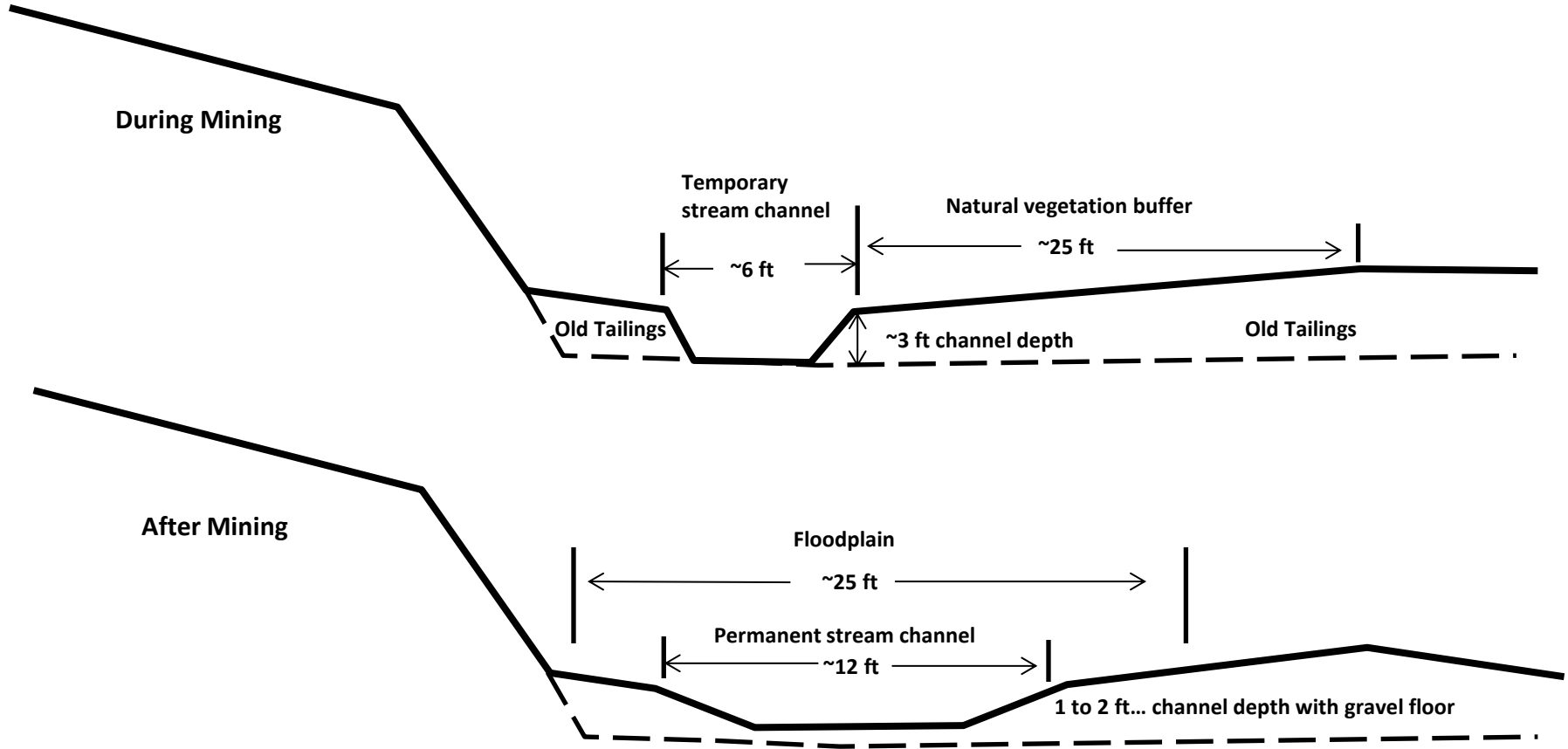
# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'  
Stream Bypass Cross-Section at Upper Pit

APMA F-9067

24 January 2017

Figure 13.



**Aurquest Alaska Inc.**

**Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'  
Lower Mine Pit Area, Current Conditions**

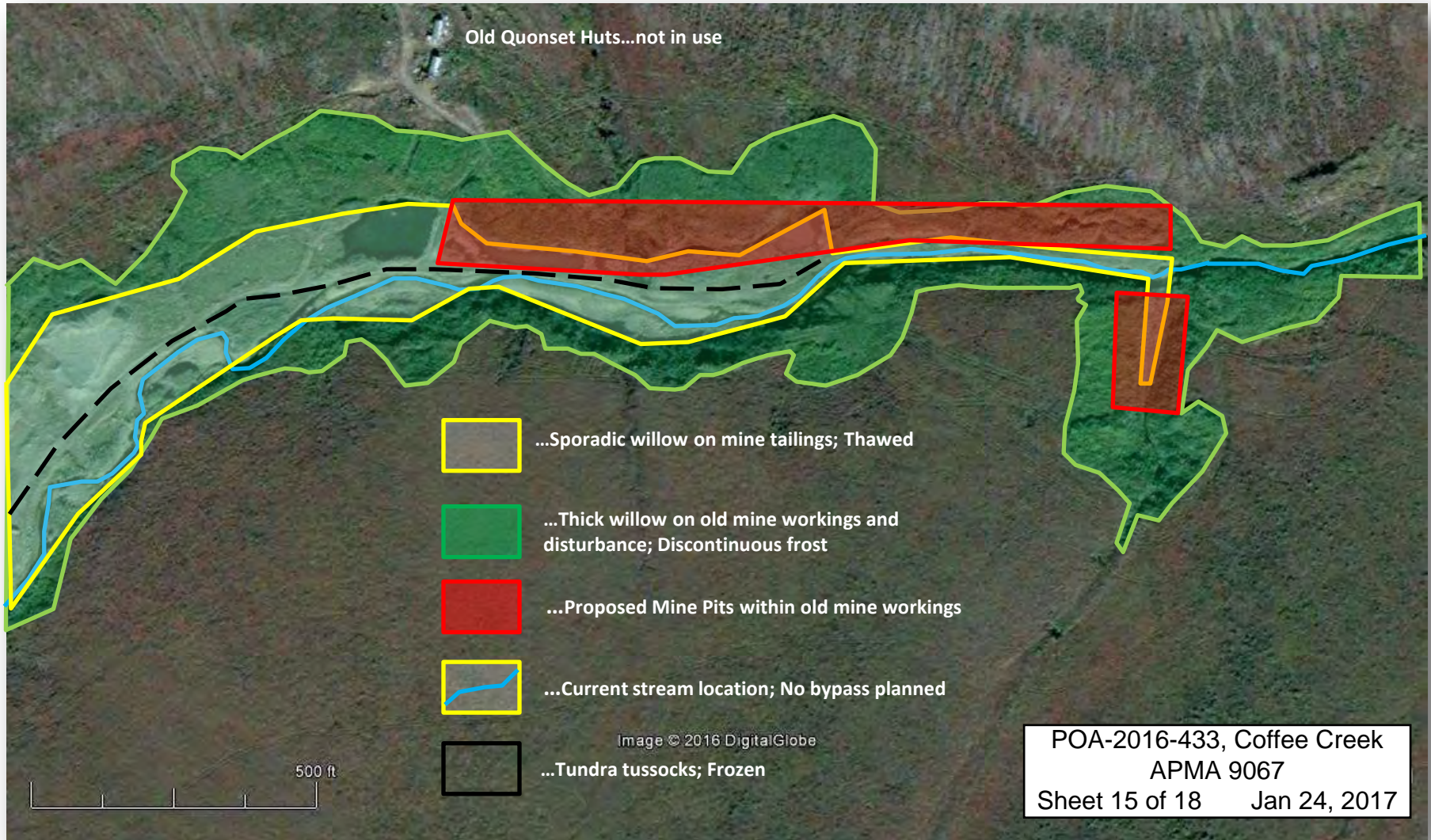
**APMA F-9067**

**24 January 2017**

**Figure 14.**



**Figure 15.**



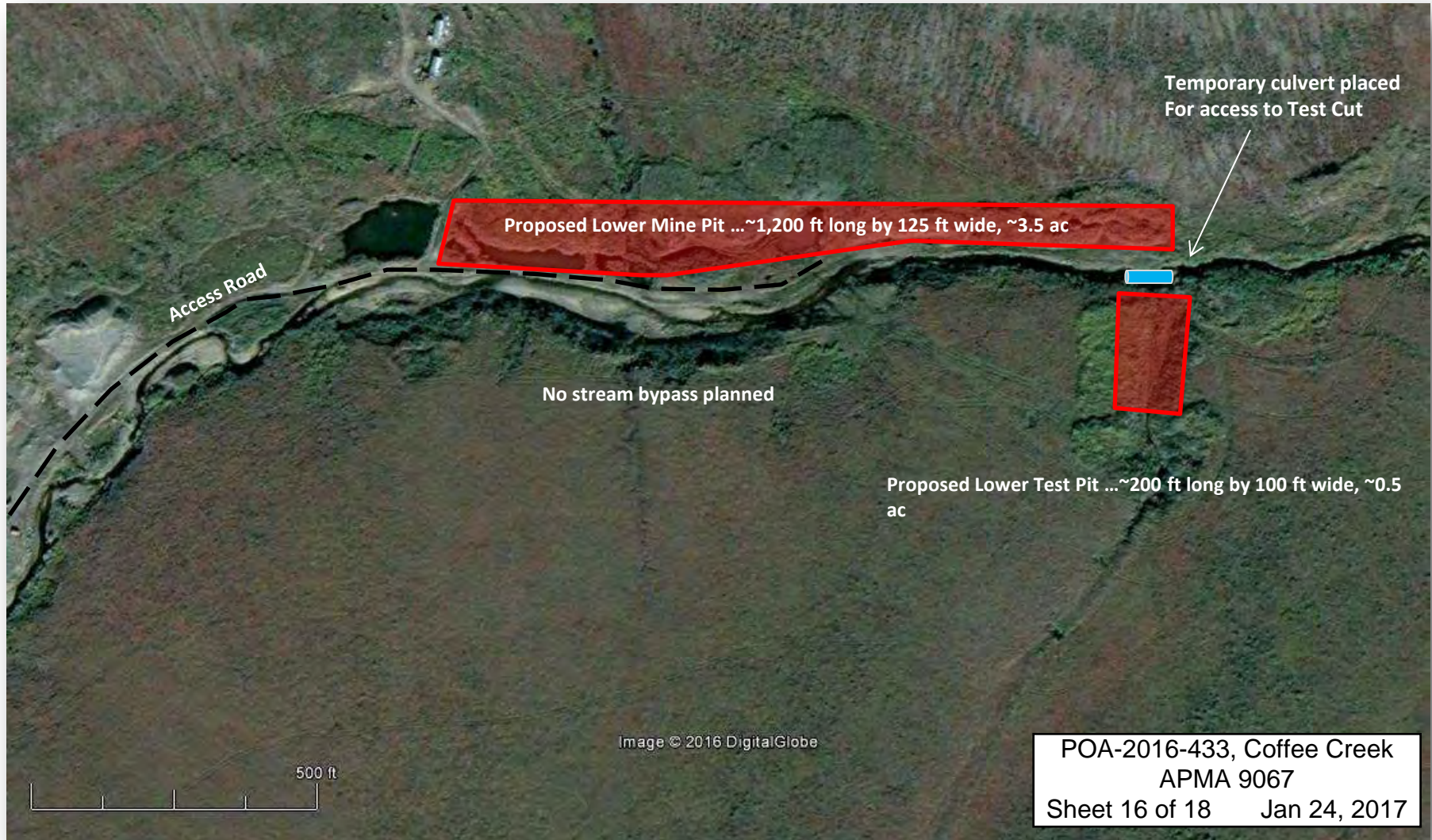
# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'  
Lower Mine Pit... Surface Conditions

APMA F-9067

24 January 2017

Figure 16.



# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'  
Lower Mine Pit... Reclamation Plan

APMA F-9067

24 January 2017

Figure 17.

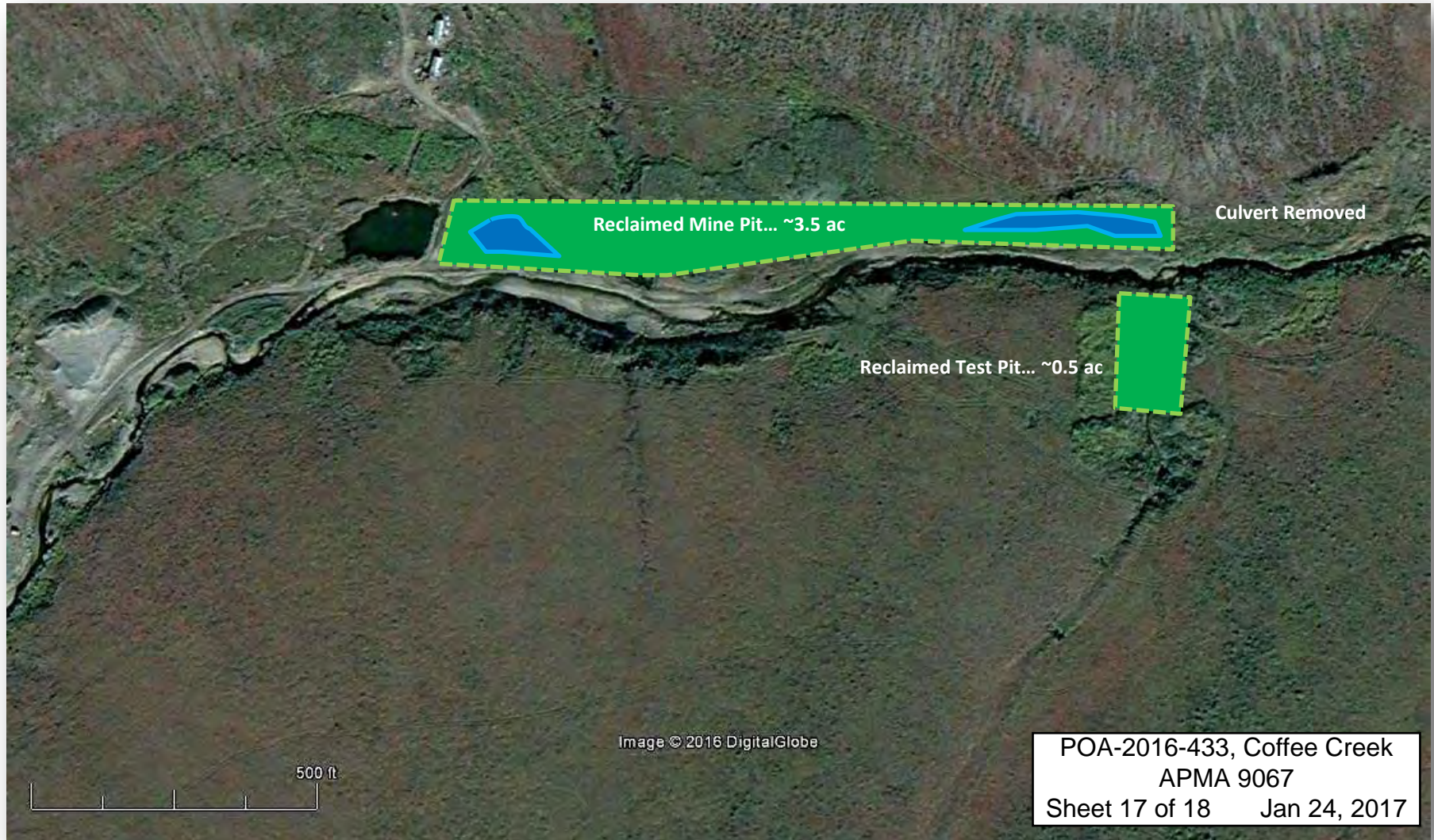


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# Aurquest Alaska Inc.

Coffee Creek Placer Gold Mine, Amendment #1  
Bendeleben (B-6)..... N65° 18.690' & W164° 42.514'  
Reclamation Plan

APMA F-9067

24 January 2017

Figure 18.

