



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

ANCHORAGE
Regulatory Division (1145)
CEPOA-RD
Post Office Box 6898
JBER, Alaska 99506-0898

PUBLIC NOTICE DATE: June 14, 2012
EXPIRATION DATE: June 29, 2012
REFERENCE NUMBER: POA-1991-354-M4
WATERWAY: Walker Fork

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 **Leslie W. Tose** at (907) 753-5515, toll free from within Alaska at (800) 478-2712, by fax at (907) 753-5567, or by email at leslie.w.tose@usace.army.mil if further information is desired concerning this notice.

APPLICANT: Mr. Kim Ferguson, Ferguson Placer, Inc., P.O. Box 609, Haines, Alaska 99827 Phone: 867-393-2220 Email: kimandkristyferguson@me.com

AGENT: Mr. Jeff Keener, Metallogeny, Inc., P.O. Box 82811, Fairbanks, Alaska 99708 Phone: 907-474-0943 Email: jeffkeener@hotmail.com

LOCATION: The project site is located within Sections 34 and 35, T. 27 N., R. 21 E., Copper River Meridian; USGS Quad Map Eagle A-1; Latitude 64.0762° N., Longitude 141.2568° W.; near Chicken, Alaska.

PURPOSE: The applicant's stated purpose is to recover economic quantities of gold from alluvial placer deposits.

PROPOSED WORK: The applicant proposes to reclaim 12.6 acres of work in waters of the U.S. conducted during 2010 and 2011, consisting of a 3.4 acre (3,000 linear feet (lf) x 50 lf) abandoned stream bypass, and 9.2 acres (2,000 lf x 200 lf) of mining pit. The applicant also proposes new work, consisting of mechanical land clearing, mining, and reclamation of 59.6 acres of palustrine scrub shrub and emergent wetlands (Dimensions: 6,500 lf length by 400 lf average width).

- The work will be phased, in 14.9 acre strips (Dimensions: 6,500 lf long by 100 lf wide). Mechanical clearing of overburden on each strip will start early in the season, to allow thawing of permafrost in preparation for mining. Overburden will be temporarily stockpiled into adjacent wetland areas that are planned to be mined the following season, or have already been mined as a part of this proposal.
- By the time the end of a strip is cleared, the beginning of the strip will have thawed, and mining will occur, in shorter "working passes" approximately 1.0 acre in size (Dimensions: 400 lf long x 100 lf wide). A floating washplant will be used, which will allow concurrent excavation, processing and discharge of the tailings back into the mine pit.
- After each season's mining, the stockpiled organics and overburden associated with that year's work will be recontoured over the tailings in the mine pit, completing reclamation of the active pit.
- All work would be performed in accordance with the enclosed plans (sheets 1-10), dated 15 April 2011, 27 February 2012, 13 April 2012, 7 June 2012.

Projected Annual Disturbance at Ferguson Placer, 2012-2015						
Phase	Year	Disturbance status	Acres	Dimensions (linear feet)	Overburden CY	Pay CY
1	2011 Mine Pit & Stream Bypass	To be reclaimed 2012	9.2	2,000 x 200 x 12	145,000	192,000
		To be reclaimed 2012	3.4	3,000 x 50 x 3		
1	2012 Mine Strip Overburden Stockpiles	New disturbance Will be mined 2013	14.9 11.1	6,500 x 100 x 12 6,500 x 75	145,000	192,000
2	2013 Mine Strip Overburden Stockpiles	New disturbance Previously mined	14.9 11.1	6,500 x 100 x 12 6,500 x 75	145,000	192,000
2	2014 Mine Pit Overburden Stockpiles	New disturbance Previously mined	14.9 11.1	6,500 x 100 x 12 6,500 x 75	145,000	192,000
2	2015 Mine Pit Overburden Stockpiles	New disturbance Previously mined	14.9 11.1	6,500 x 100 x 12 6,500 x 75	145,000	192,000
TOTAL		After-the-fact New	12.6 59.6	6,500 x 400	580,000	770,000

ADDITIONAL INFORMATION: This is the fourth permit modification for a mining operation on Walker Fork, started in 1991. Ownership of the claims has changed several times. Work under the current operator, started in 2010, consists of: mine plans and bonding with the Alaska Department of Natural Resources, Division of Mining, and with the Bureau of Land Management; clean up of machinery, debris and camp area of previous mining operations, reclamation of previous mining disturbance, establishment of a new camp and road improvement activities, and some new mining.

Walker Fork is a relatively permanent water (RPW) which flows into the South Fork (RPW), which flows into Mosquito Fork (RPW), which flows into the Forty Mile River, a Traditional Navigable Water. The mine area has a shallow gradient (0.5%) and contains palustrine scrub shrub and emergent wetlands, or "muskeg", with high

groundwater. 1989 aerial photography of some of the area to be mined is included as plan sheets 8, 9, and 10 with this Public Notice, showing wetlands and previous mine disturbance. Updated aerial photography covering the entire area to be mined will be requested as a permit condition. There are two unnamed perennial streams located in Section 35, shown in the plans as flowing into Walker Fork. Conversation with the agent revealed that both streams lose channel form as they reach the area of the proposed mine pit, flowing in a dispersed manner towards the creek.

Some portions of the operation, including the main access road, and camp, are in uplands.

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:

- A stream bypass of Walker Fork will not be needed.
- The proposed mining operation will be located on the north side of the valley, maintaining a distance of between 100 and 600 feet from Walker Fork, which meanders along the south side of the valley. Where the mining operation approaches the creek, in several locations, a 25' buffer strip would be maintained. See plan sheets 5 and 6.
- Temporary access roads will be located on top of active mine tailings and reclaimed when mining is done.

b. Minimization:

To reduce the footprint of the active operation:

- The mine area will be limited to the paystreak defined by 2006 exploratory drill program, conducted by the previous operator.
- Applicant proposes use of a floating washplant within the active pit.
- Mining and reclamation of the active pit will occur concurrently.
- Overburden will be stockpiled on areas that will either be mined as a part of this proposal, or have been mined, as a part of this proposal.
- Work will be phased, with this year's new work and reclamation carried over from last year composing Phase I. The permafrost in this location melts quickly once organic overburden is removed. The applicant proposes long, narrow passes, which will promote thawing of permafrost within the areas to either side of the active pit. Thus, by the time the applicant has completed stripping of the first pass, he believes that the permafrost will be sufficiently thawed to mine the areas which were stripped first. Phase I will be completed before starting on Phase II.

c. Compensatory Mitigation: Ferguson Mining is not proposing additional compensatory mitigation for this project. They will reclaim as per reclamation standards set forth in the Alaska State Statutory requirements. Area to be mined is low gradient (0.5%) permafrost muskeg with high water table - reclamation goals are to control drainage and enhance habitat, and to convert 60 acres of permafrost driven palustrine scrub shrub and emergent wetlands to 60 acres of shallow open water ponds, lacustrine fringe, and palustrine scrub shrub wetlands in a thawed substrate.

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 **Walker Fork Cabin 2006-1**. 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 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.

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 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 the 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.

We have determined the described activity would not adversely affect EFH in the project area.

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

JUNEAU

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
WQM/401 CERTIFICATION
410 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1795
PHONE: (907) 465-5321/FAX: (907) 465-5274

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-1991-354-M4, Walker Fork** 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.

FIGURE 1 of 10

FERGUSON PLACER INC.

Walker Fork Gold Mine
Multi-Year 2011 to 2015
Eagle (A-1)... N64-4.6, W141-15.9

APMA F-119124

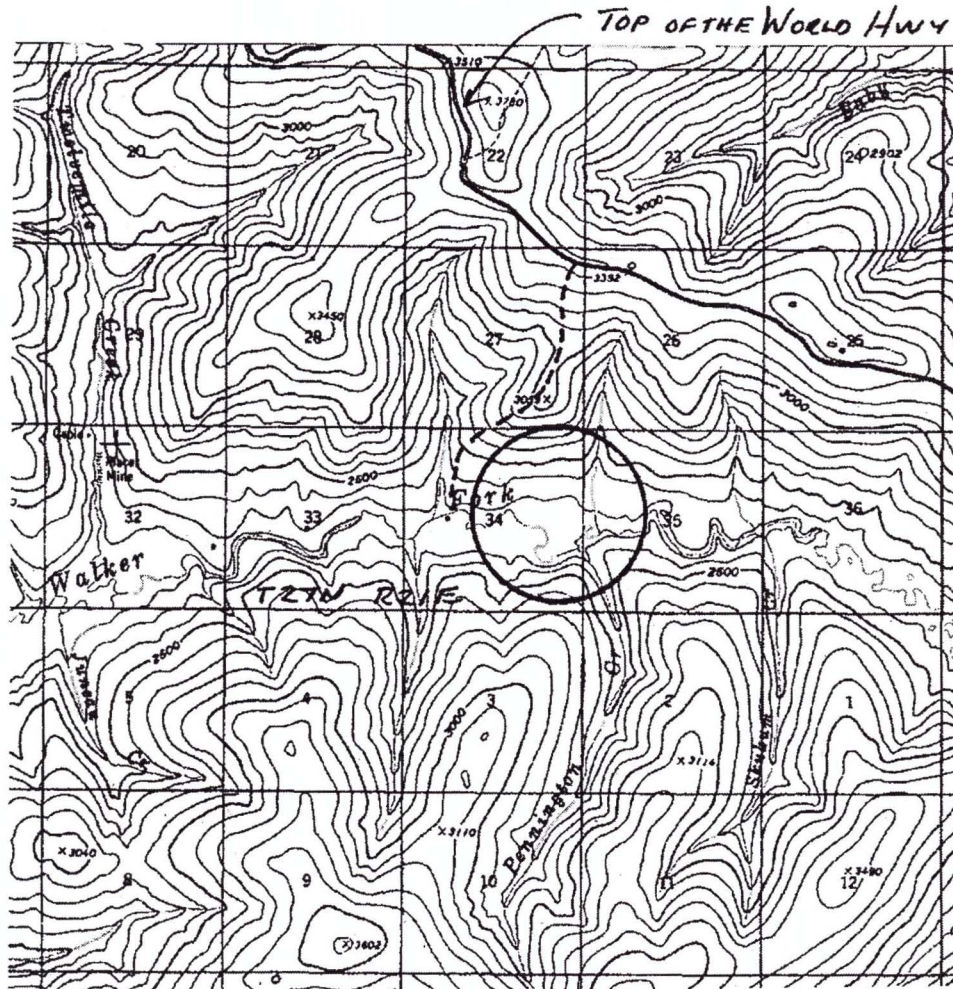
FF-094455, FF-090716

FF-092167

POA-1991-354-4

15 April 2011

Project Location



1" = 1 MILE

Ferguson Placer Inc.

Walker Fork Gold Mine

Multi-Year 2011 to 2015; **Amendment No. 1**

Eagle (A-1)... N64-4.6, W141-15.9

Fig. 2 of 10

APMA F-129124
FF-094455, FF090716
FF-092167
POA-1991-354-4
27 February 2012

Proposed Mine Pit. and Land Manager

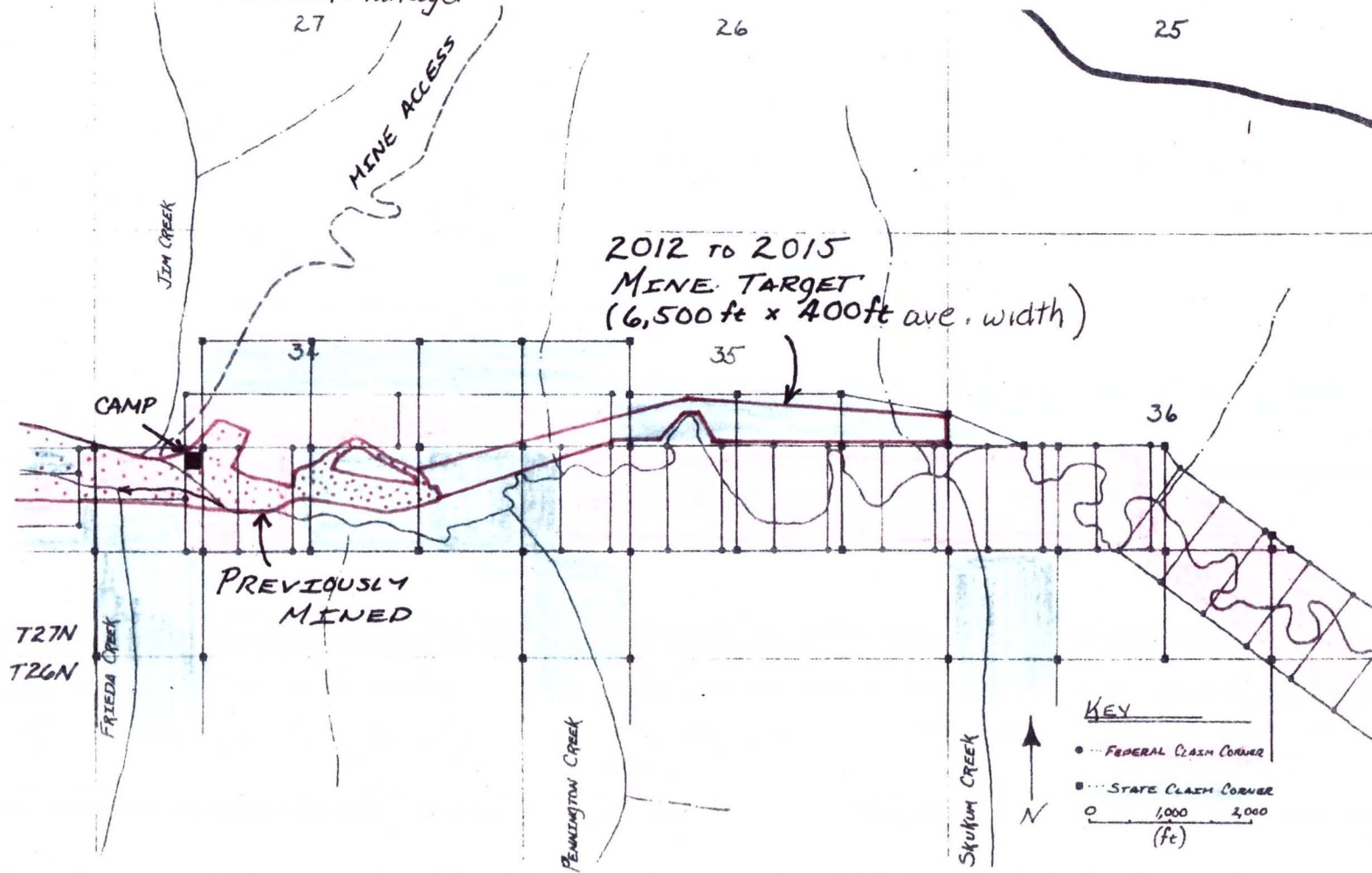


FIGURE 3. of 10

FERGUSON PLACER INC.

Walker Fork Gold Mine
 Multi-Year 2011 to 2015; *AMENDMENT No. 1*
 Eagle (A-1)... N64-4.6, W141-15.9

APMA F- 9124

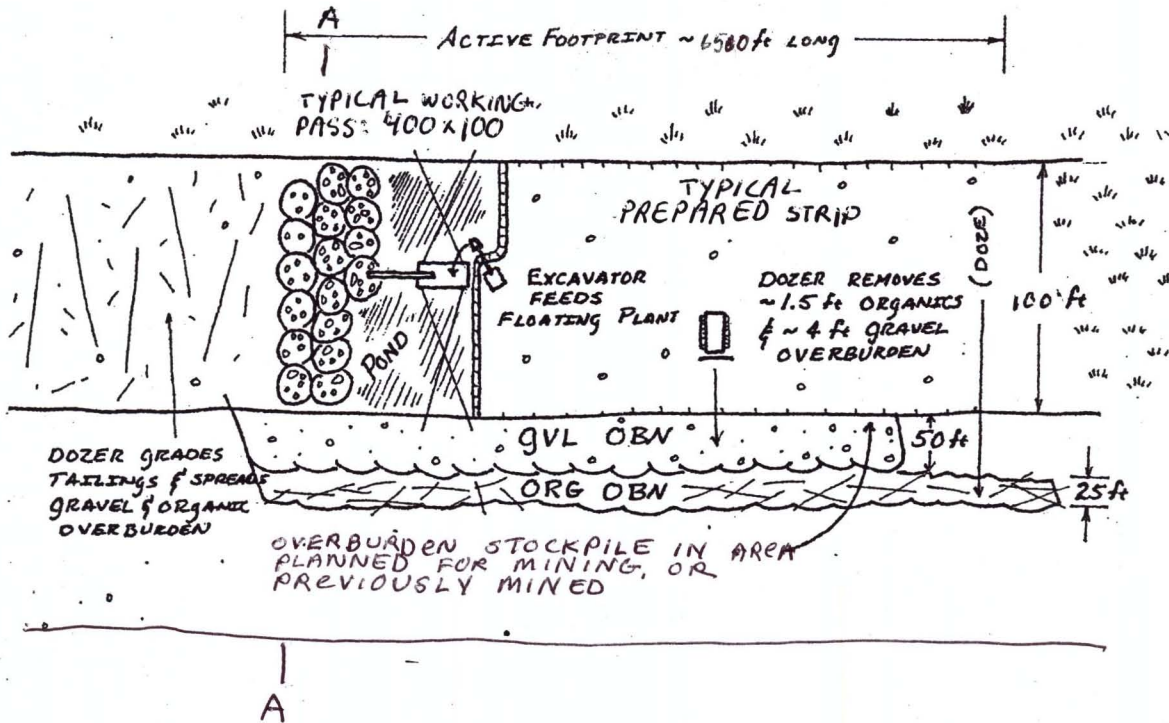
FF-094455, FF-090716

FF-092167

POA-1991-354-4

27 FEB 2012

Mine Plan - Active footprint



Projected Annual Disturbance at Ferguson Placer, 2012-2015

Phase	Year	Disturbance status	Acres	Dimensions (linear feet)	Overburden CY	Pay CY
1	2011 Mine Pit & Stream Bypass	To be reclaimed 2012	9.2	2,000 x 200 x 12	145,000	192,000
		To be reclaimed 2012	3.4	3,000 x 50 x 3		
1	2012 Mine Strip Overburden Stockpiles	New disturbance	14.9	6,500 x 100 x 12	145,000	192,000
		Will be mined 2013	11.1	6,500 x 75		
2	2013 Mine Strip Overburden Stockpiles	New disturbance	14.9	6,500 x 100 x 12	145,000	192,000
		Previously mined	11.1	6,500 x 75		
2	2014 Mine Pit Overburden Stockpiles	New disturbance	14.9	6,500 x 100 x 12	145,000	192,000
		Previously mined	11.1	6,500 x 75		
2	2015 Mine Pit Overburden Stockpiles	New disturbance	14.9	6,500 x 100 x 12	145,000	192,000
		Previously mined	11.1	6,500 x 75		
TOTAL		After-the-fact	18.0	6,500 x 400	580,000	770,000
		New	59.6			

FIGURE 4. of 10

FERGUSON PLACER INC.

Walker Fork Gold Mine
Multi-Year 2011 to 2015; *AMENDMENT No. 1*
Eagle (A-1)... N64-4.6, W141-15.9

APMA F- 9124

FF-094455, FF-090716

FF-092167

POA-1991-354-4

27 FEB 2012

Mine Plan - Cross-Section through Mine Pit

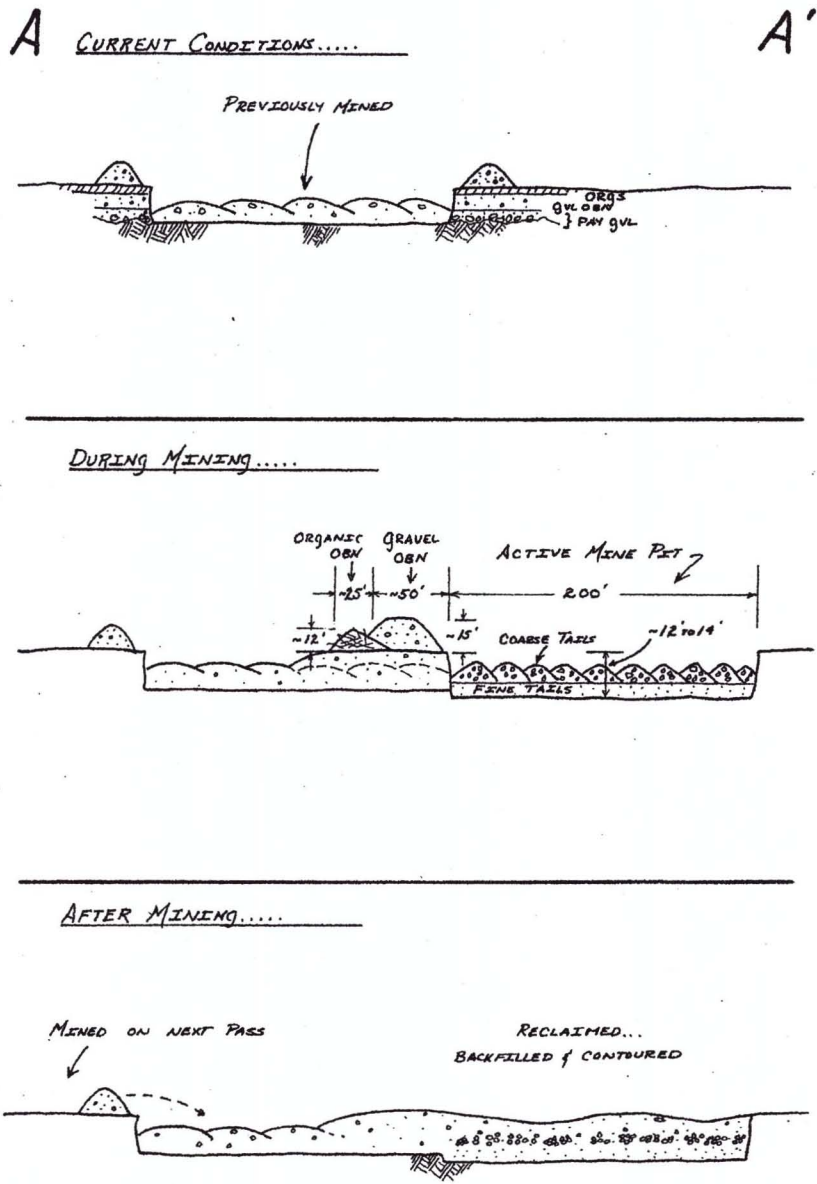


Figure 5. of 10

Ferguson Placer Inc.

Walker Fork Gold Mine
Multi-Year 2011 to 2015; Amendment No. 1
Eagle (A-1)... N64-4.6, W141-15.9

APMA F-129124

FF-094455, FF-090716

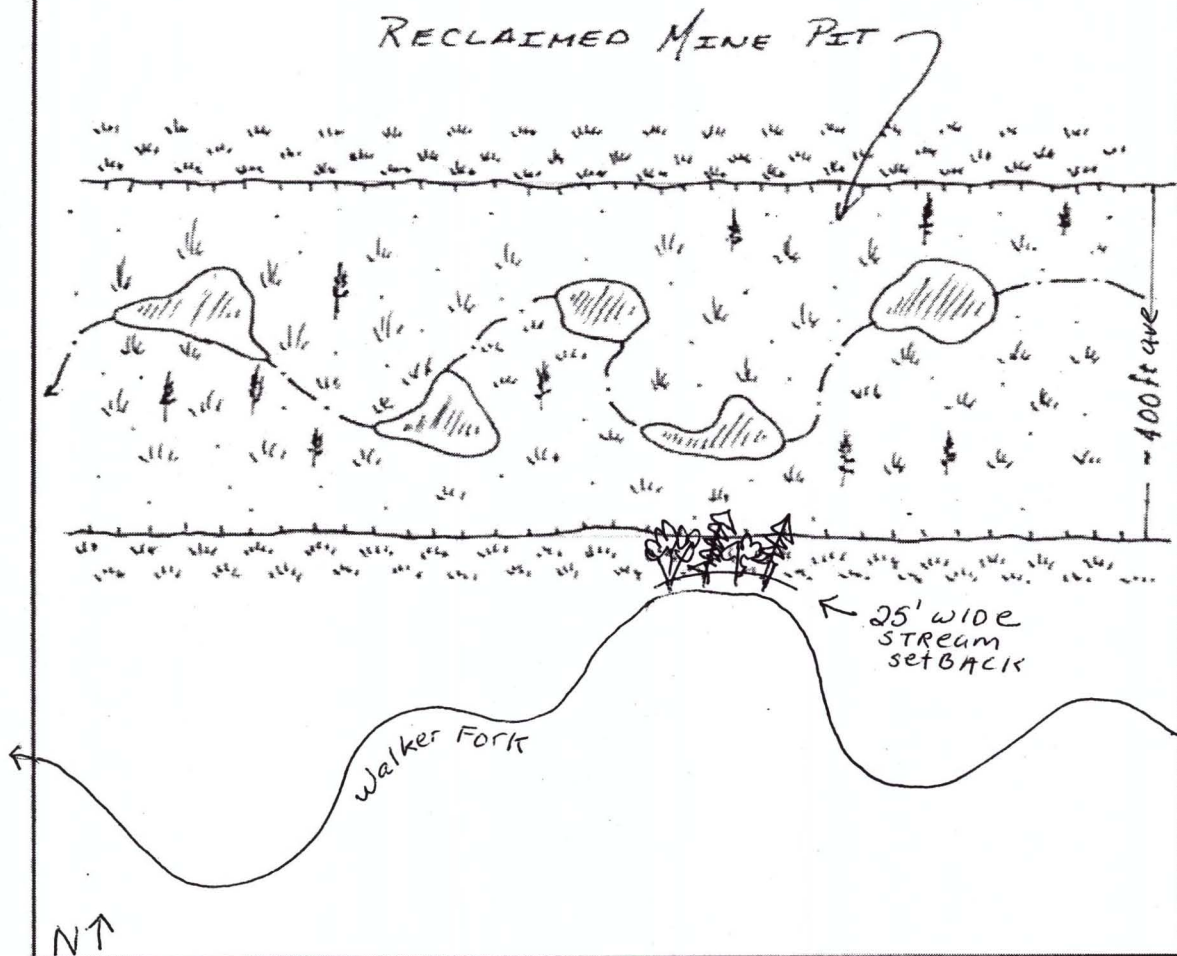
FF-092167

POA-1991-354-4

13 April 2012

Reclamation Plan, 2015 (not to scale) -- reclaim mined areas as moderate to high value wetlands habitat.

Due to stream meanders, the distance between the mine pit and creek generally varies between 100 and 600', except for locations where the 25' stream buffer has been maintained.



Metallogeny, Inc.

P.O. Box 52811, Fairbanks, Alaska 99708

FIG. 6 of 10

FERGUSON PLACER INC.
WALKER FORK GOLD MINE
MULTI-YEAR 2011-2015
EAGLE (A-1)...N64-4.6, W141-15.9
STREAM BUFFER PLAN & SECTION VIEW

APMA 9124
POA-1991-554-M4, WALKER FORK

2012 to 2015
MINE TARGET
(6,500 ft x 400 ft ave. width)

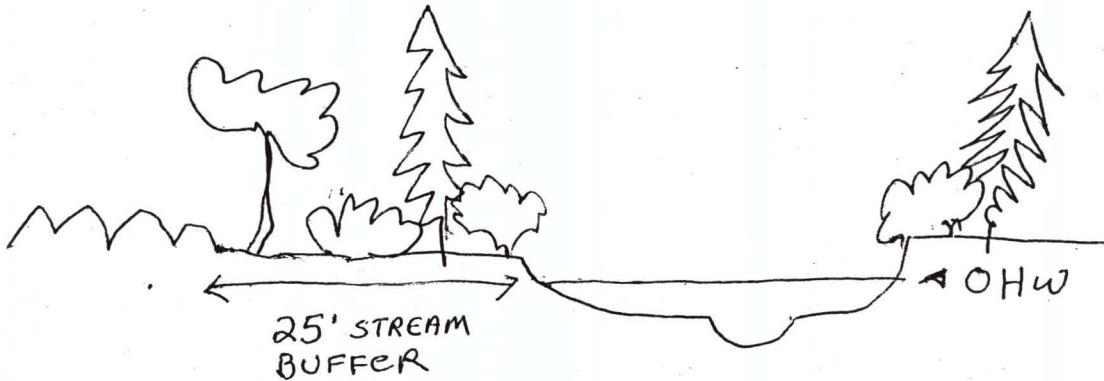
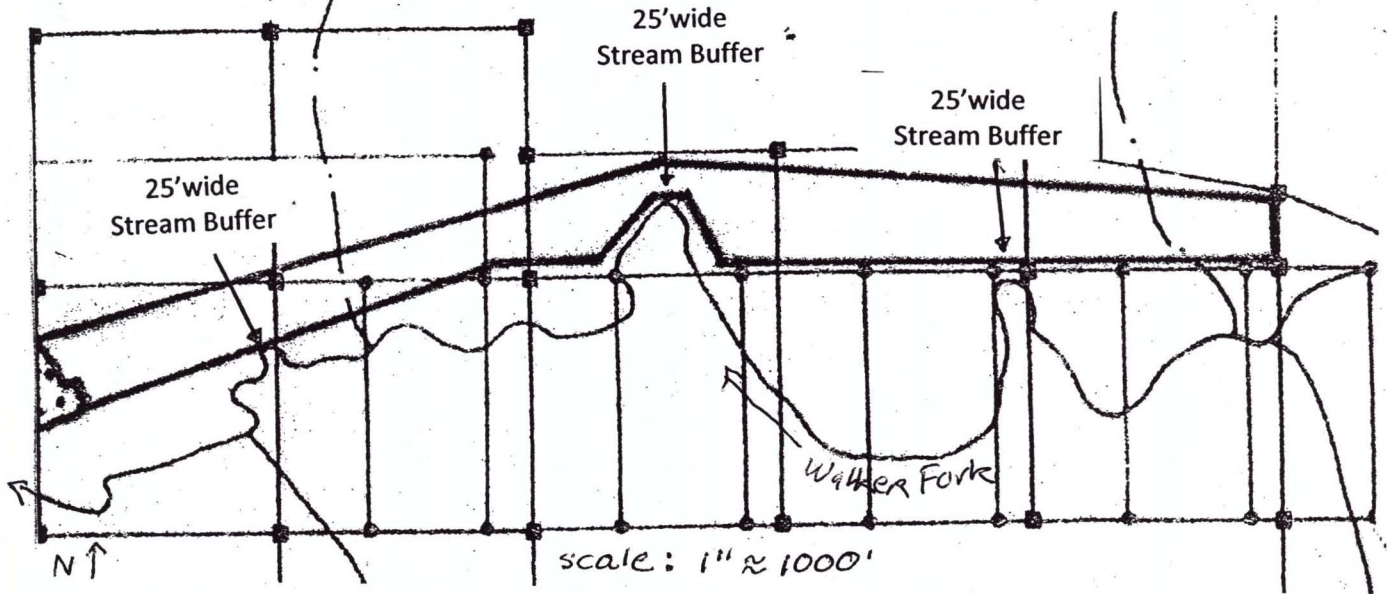


FIG. 7 of 10

FERGUSON PLACER INC.

WALKER FORK GOLD MINE

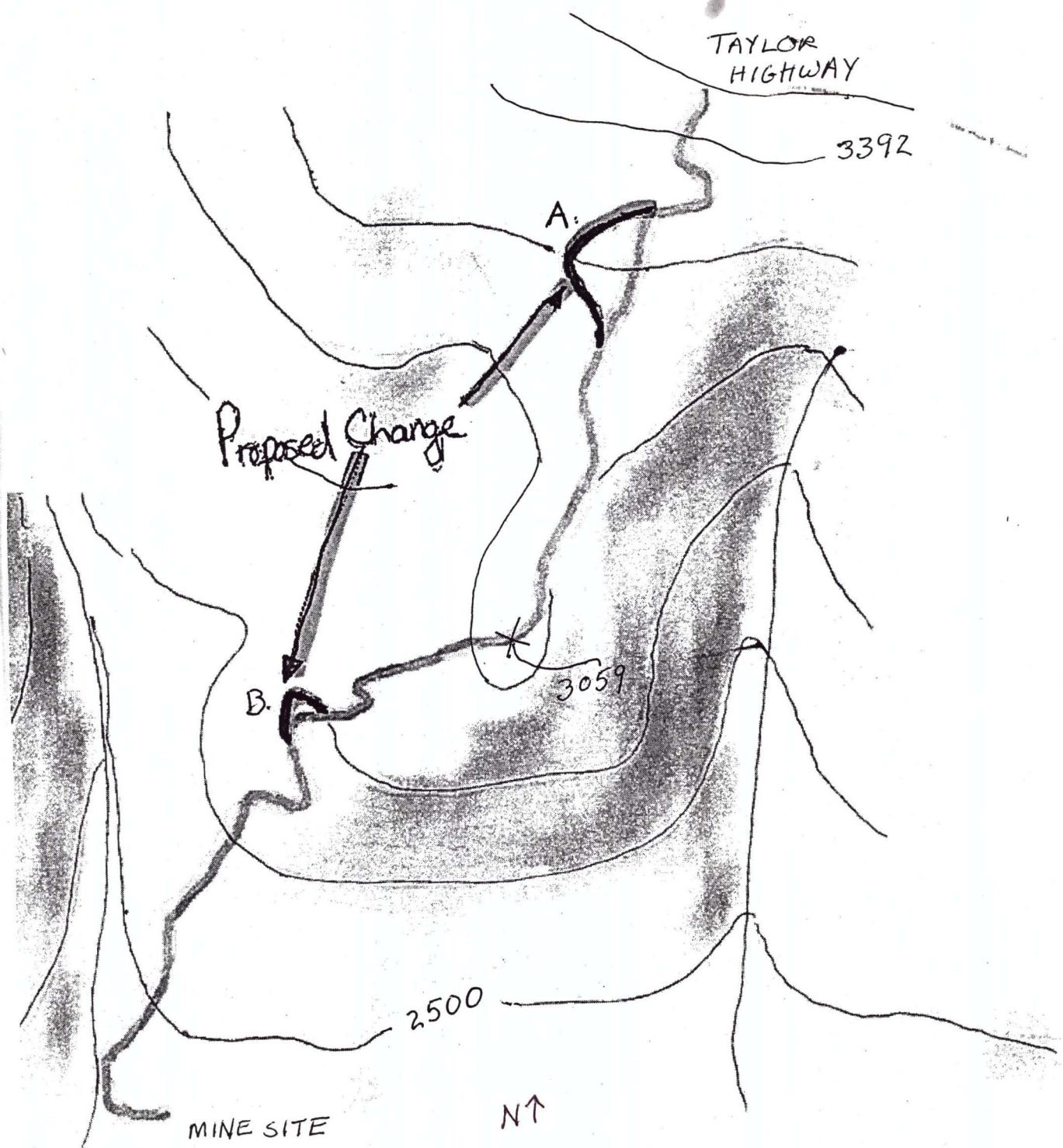
MULTI-YEAR 2011-2015

EAGLE (A-1)...N64-4.6, W141-15.9

ACCESS ROAD CHANGES (WORK IN UPLANDS)

APMA 9124

POA-1991-554-M4, WALKER FORK





Abandoned stream channel (3.4 acres, 3,000' x 50')
Mined, backfilled, graded in 2010-2011.
Final reclamation to be completed 2012.

Mine cut
(~ 9.2 acres, 2,000 x 200)
Mined, backfilled, graded in
2010 -2011.
Final reclamation to be
completed 2012.

Previously
mined area

Access road
to Taylor Hwy

Walker
Fork

Camp Area
420' x 420'

Jim Creek

N

8-11-89 WALKER FORK 12-60

POA-1991-354, APMA 9124, Walker Fork
Applicant: Ferguson Placer, Inc.
Location: Secs. 34 and 35, T. 27 N., R. 21 E.,
Copper River Meridian; USGS Quad Eag A-1;
Lat. 64.0762° N., Long. 141.2568° W.
Aerial Photo # 1_Figure 8 of 10 06/07/12



Proposed mining
2012 - 2015

Abandoned stream channel (3.4 acres, 3,000' x 50')
Mined, backfilled, graded in 2010-2011.
Final reclamation to be completed 2012.

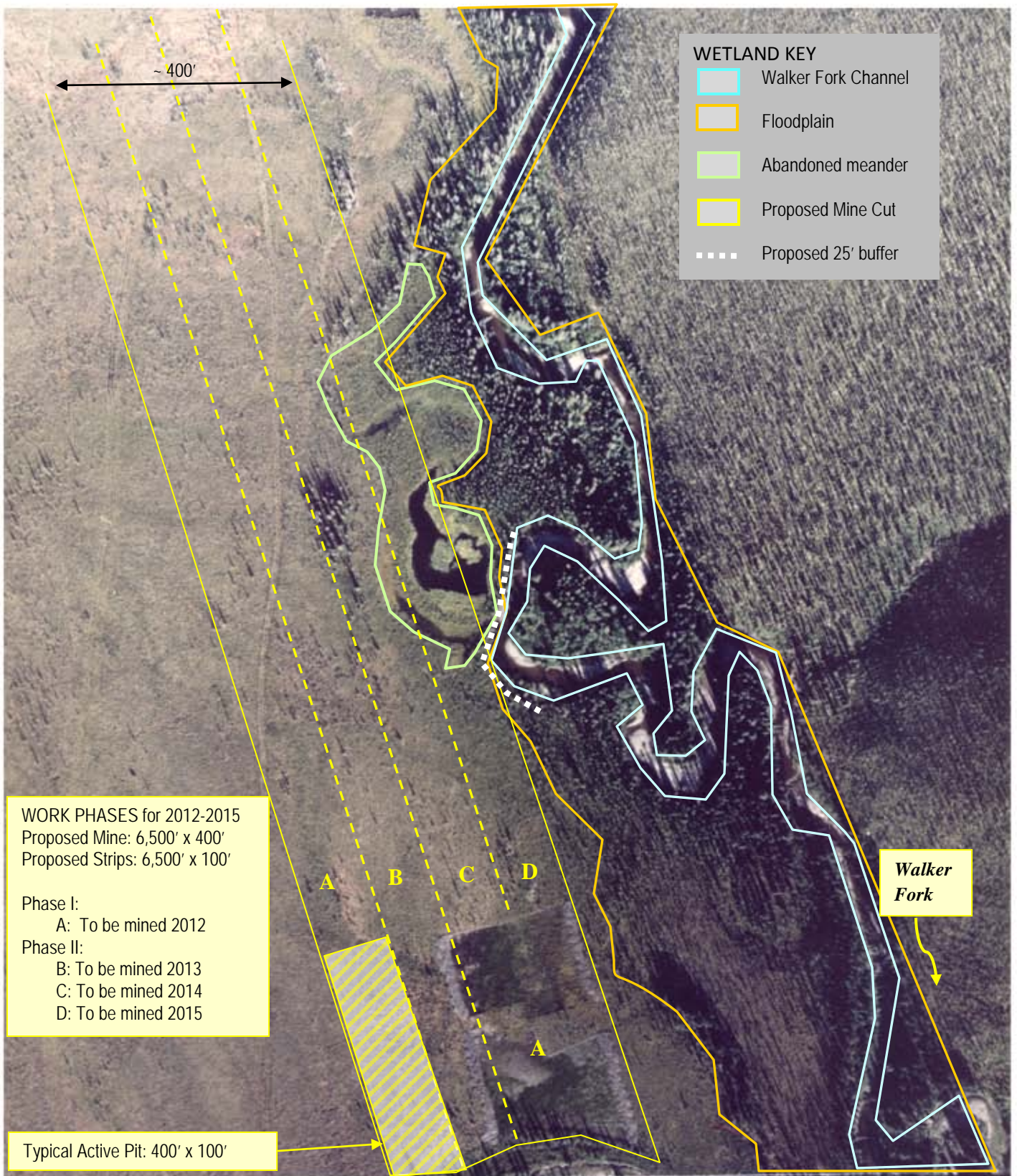
Mine cut - Occurred
around the perimeter of
old mine cut.
(9.2 acres, 2,000' x 200')
Mined, backfilled, graded
in 2010 -2011.
Final reclamation to be
completed 2012.

*Walker
Fork*

← N

8-11-89 WALKER FORK 12-57

POA-1991-354, APMA 9124, Walker Fork
Applicant: Ferguson Placer, Inc.
Location: Secs. 34 and 35, T. 27 N., R. 21 E.,
Copper River Meridian; USGS Quad Eag A-1;
Lat. 64.0762° N., Long. 141.2568° W.
Aerial # 2_Figure 9 of 10 06/07/12



WETLAND KEY

- Walker Fork Channel
- Floodplain
- Abandoned meander
- Proposed Mine Cut
- Proposed 25' buffer

WORK PHASES for 2012-2015
 Proposed Mine: 6,500' x 400'
 Proposed Strips: 6,500' x 100'

Phase I:
 A: To be mined 2012

Phase II:
 B: To be mined 2013
 C: To be mined 2014
 D: To be mined 2015

Typical Active Pit: 400' x 100'

← N 8-11-89 WALKER FORK 12-54

Note: Photo shows ~ 1600 lf of proposed 6,500 lf mine.

POA-1991-354, APMA 9124, Walker Fork
 Applicant: Ferguson Placer, Inc.
 Location: Secs. 34 and 35, T. 27 N., R. 21 E.,
 Copper River Meridian; USGS Quad Eag A-1; Lat.
 64.0762° N., Long.141.2568° W.
 Aerial # 3 –Mine Phases & Wetlands Figure 10 of 10 06/07/12