



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Environmental Conservation

DIVISION OF WATER
Wastewater Discharge Authorization Program
PO Box 111800
Juneau, Alaska 99811-1800
907.465.6855
www.dec.alaska.gov

November 30, 2018

WPC File Number: 1533.62.001

Mr. Kevin Eppers
Coeur Alaska – Kensington Gold Mine
3031 Clinton Drive, Suite - 202
Juneau, Alaska 99801

Re: Reissuance of state permit: Waste Management Permit (WMP) for Kensington Gold Mine, No. 2013DB0002

Dear Mr. Eppers:

The Department of Environmental Conservation (DEC), Wastewater Discharge Authorization Program received the above referenced application materials. We have completed the review of the application and determined that the application is timely. In accordance with DEC regulation 18 AAC 15.110, a state permit remains fully effective and enforceable if a timely application is received and, through no fault of the permittee, DEC does not reissue a new permit prior to the expiration date of the existing permit. Therefore, your existing permit will remain effective and enforceable until a new permit is issued for your facility.

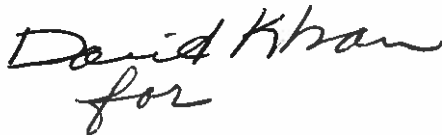
Conditions for Reissuance:

- 1) DEC is administratively extending the Waste Management Permit (WMP) for the anticipated period necessary to complete the Environmental Impact Statement (EIS) process for the Tailing Storage Facility (TSF) expansion.
- 2) Since the department must require and secure proof of financial responsibility for the cost of reclamation and closure, acceptance of this administrative extension will require that the total financial responsibility amount must be inflation proofed for the period of extension under AS 46.03.100(f), 18 AAC 15.090, and 18 AAC 60.265.
 - a. The current financial responsibility amount is \$29,607,114. The approved financial responsibility amount amendment (increase) is to the order of \$1,096,894. This financial responsibility amendment is based on the five-year average of the Anchorage Consumer Price Index (CPI) of 1.22% which is compounded on an annual basis for a duration of three years. Therefore the total financial responsibility amount including inflation proofing for the period of administrative extension is \$30,704,008.
 - b. The proof of financial responsibility may be in the form of a trust fund, surety bond, letter of credit, insurance, or a department-approved financial mechanism.
 - c. Approved proof of financial responsibility must remain available through the post-closure period and may not be released in its entirety until the department certifies in writing that the closure of the facility and the required post-closure monitoring have been successfully

- concluded or that another entity has assumed responsibility for permit compliance, reclamation and closure activities, and post-closure monitoring.
- d. The permittee must provide acceptable proof of financial responsibility by close-of-business on January 30, 2019, 60 days after the issuance of this administrative extension. The department will accept or reject the financial surety as expeditiously as possible but in no event later than 30 days after its receipt.
 - e. If the permittee is unable to provide acceptable proof of financial responsibility to the department, as approved by the department in writing, within the time period stated above, this permit will expire automatically at that time, notwithstanding any other approvals to the contrary, unless the department's failure to act is responsible for the delay in accepting or rejecting this proof.

Please note that DEC may request additional information during the development of the draft permit to clarify, modify, or supplement previously submitted material. If you have any questions, please do not hesitate to contact David Khan at (907) 465 -6855 or david.khan@alaska.gov .

Sincerely,



David Khan
for

Gene McCabe
Manager
Wastewater Discharge Authorization Program

cc: Brent Martellaro, DNR, Fairbanks
Shannon Kelly, DNR, Juneau
William Groom, DNR, Fairbanks
Kyle Moselle, DNR, Juneau
Allan Nakanishi, DEC, Anchorage
Mathew Reece, USFS, Juneau
Mark Minnillo, AF&G, Juneau