

DONLIN CREEK MINE (NOVA GOLD) AUGUST 2012

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I do not claim to be an expert or have experience in either open pit or underground mining. I have been concerned ever since I have heard that a mine might become a reality on the Kuskokwim River near Crooked Creek area. Having heard from the people their concerns and written articles to the Delta Discovery newspaper I begin to look at most of the other facts surrounding this proposed mine. What really got my attention was a letter written to the Delta Discovery by N. Leedy of Nome (3/3/09). What he had written are real hard facts what he have seen and experienced in his area with Nova Gold.

Nova Gold had a small mine in Nome but failed after two weeks of operations and shutdown on November 24, 2008 without warning. And what happened was:

- -they promised good paying jobs, but failed.
- -City of Nome and businesses benefit almost nothing.
- -received 8 million in federal funds to build a road and they turned around and sold 2 million dollars worth of gravel to the federal government.
- -Nome experienced this failed project using cyanide and other poisonous chemicals.
- The City of Nome will not give permission to another to mine after experiencing a mining disaster in their area as an end result.

Brief History

Another failed mine in Canada, the Galore Creek mine took 2 billion to build but cost over 5 billion and failed.

- -Nova Gold stock have lost hundreds of million due to poor management.
- -Stockholders have lost substantial amounts of dollars.
- -There are number of class action lawsuits against this company in the U. S. Courts.

Presently for Nova Gold/Barrick Donlin Creek Project

Right now, Donlin Creek is in exploratory and planning stages but:

Barrick pulled out recently due to the fact and stating that they had lost millions of dollars over the years. However, Nova Gold plan on continuing with this project yet they will need to submit an environmental impact statement and other permits for approval which will take several years. As it is the company proposed to do is to open and operate the largest open pit mine in the AVCP region and perhaps in the world. This mine would require enormous amounts of energy utilizing both diesel and generated electricity. Question is when and how this energy is going to be produced? They have been looking at energy alternatives and ecetera. The plan for now is that they plan to have on-site diesel/wind generation:

- -to generate at least about 70 to 140 MW (about 140 million electrical watts) that would be enough to light up this region and rest of rural Alaska.
- -the mine would require approximately 600 hundred thousand gallons of diesel fuel each annually (year after year for thirty years?).
- -diesel oil will be barged each and every day (ten double hull barges?) beginning in spring until freeze up.

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- -somewhere below Aniak maybe they plan to build a tank farm (32 to 62 tanks) which will hold approximately 800,000 thousand gallons.
- -part of this plan they plan to put a 74 mile road from the tank farm and bury a 12 inch oil pipeline to the mine alongside the road. Major oil spills are most likely to happen anywhere from the beginning of delivery to the site. A buried pipeline gives no assurance. It would be susceptible to earth shifts and earth quakes. If there is a break then how will they know where? Oil can drain through creeks to the river, contaminating drinking water and contaminate the land around it.
- -wind generation is not an alternative. 120 wind generators will produce about approximately 7 MW of power. There certainly will likely be bird fatalities both large and small perhaps in the hundreds or thousands during the course of the mine's lifetime.

OTHER INFORMATION YOU OUGHT TO KNOW

The mine itself will need tons of earth moving equipment to make a hole in the ground to remove a lot of rock (billions of pounds estimate 30 years?) these rocks are grinded up or pulverized at the site. What you cannot see will not hurt you, right? Wrong!!! The pulverized rock is then treated before being put into a factory and placed into a giant roaster under extremely high temperatures and pressure. Cyanide is used to extract gold from pulverized rock. The giant roaster liken to a furnace will have huge chimney stacks where smoke, fumes and vaporized chemicals will escape. From the fired rocks, mercury vapors and other chemicals will become air born. These air born chemicals which we cannot see mainly mercury vapor and arsenic will pollute the air we breathe, the land and the water for hundreds or thousands square miles around. Mercury vapor, arsenic, cadmium, lead are released into the air. There may be other types of chemicals released as well. Arsenic has been linked to skin and lung cancer, cadmium has been shown to cause kidney disease and increase the risk of lung cancer. Lead is known to be a neurotoxin, children's exposure to it, even at low doses can damage the central nervous system. Cyanide is very dangerous chemical and can decimate everything that is living whether it be on land or in the water. Looking at all these, the employees at the immediate mine site would be at high risk.

Another area of major concern is where and how they are going to take care and store the pulverized rock and other ores that have been processed and treated with dangerous chemicals? Any large mine proposed as this one would produce toxic billions of contaminated tailings. Their plan to store the rock is to build a huge humongous dam 900 hundred feet high, but where? In between two mountains?, In a middle of a creek? This dam would be higher than the Hoover Dam (727 feet) itself.

A beaver dam can hold back so much water but in spring depending on the amount of snow and ice will produce water overflow over the dam. Once the beaver leave the area the dam is subject to erosion and to other forces of nature and over time is no longer a dam. Apply this same principle to the humongous dam they propose to build.

Any contaminated runoff and acid mine leakage from this dam will have a major and negative disastrous effects if it flows into the Kuskokwim River. The proposed dam will also be prone to earthquakes, erosion, and other acts of nature. The dam will need to be taken care of and watched from now until the end of time or the world as we know it.

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This proposed mine will not take millions of dollars to start up but up to probably billions of dollars. Where are they going to get that kind of money? Nova Gold do not have that kind of money in the bank. If they borrow billions of dollars and if the proposed mine become a reality, their existing and future expenses will most likely be far greater than their profits. Calista Corporation owns the subsurface land and my question is, are they putting in funds into this proposed mine? They stand to lose a substantial amount into the millions of dollars if not successful and we the Calista shareholders lose also.

Also at any point in time of its operation, they can also declare bankruptcy and most likely walk away without cleaning up. We will end up with disastrous consequences of paying for their dirty work with our lives, with our subsistence and traditional way of life by them affecting the life on the land and water and air we depend on dearly.

However at present we definitely require and expect no lame excuses from the company but to have them put in print and guarantee us that the ironclad and enforceable financial assurances put in place <u>before</u> the earthmovers break ground, or the air, or before operating permits are granted.

Water, Land & Air, Environmental & Social Concerns

The real people of this area, their elders, our elders have enjoyed what nature brings to them from the water, the creeks, the lakes, the land, and the air that we breathe. May they see that to the end of their time.

We now presently in this day and age are very concerned for our very way of life and for our children and for our future generations. This proposed mine have real and potentially high risks of destroying the environment we live in. We hope not to see that in our lifetime.

The rivers, the creeks and the lakes have all types of fish, animals and plant resources that we all use. If any contaminated acid leakage occurs and in time can sterilize or wipeout our life resources. Arsenic being a poison even in small amounts can kill over a period of time. If the fish become polluted with high levels of mercury they will become uneatable. Cyanide can lessen the oxygen producing levels of the water thus therefore affect the fish to where there is nothing left, not only the fish but also the plants and the very wildlife that depend on the waters as well. It will not happen immediately overnight but over a period of time unless a disaster happens of great proportions like the dam bursting open for example. We in the present know of our Chinook salmon been seriously declining and worse this summer which affected everyone that depend on them for sustenance. We do not know what the future is going to look like if the river is affected by this proposed mine once operating. We hope not to see a sterilized river, creek or a lake in our lifetime or in our children's lifetime.

The land itself has berries and other plant resources we depend on each and every year for our sustenance. Definitely air born chemicals will have an effect on them to where they may not produce abundantly as they used to and/or if they do they are contaminated and don't what effects it will have if they are consumed by the human population.

The air that we breathe is most precious to all living, without it our very existence is gone and so is everything around us. We have experienced air born pollution from industrial China

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before and acidic rain as well along with it. After that acidic rain, the rainwater tasted horrible and was undrinkable. After the rain dried up we saw little white blotches on the plants, trees, brush and on the ground. China is thousand miles away. The proposed mine will have the ability to lessen the air quality for hundreds and thousand square miles around. Crooked Creek some time ago experienced a light dusting from Mt. Redoubt volcano some hundreds of miles away. Sulfur dioxide emissions will occur when the mine is in operation and affect plants negatively and has the ability to destroy plant life.

The proposed mine, as it is, in our minds is still in exploratory and planning stages and the immediate general population do not know how far it has gone to establish itself. Donlin Creek has X number of employees from the interior and the YK Delta. What employee turnover, we don't know. When is the peak season and low season and I am sure the mine employers (management) do not exceed beyond the number of employees they have during those low and high seasons. A job is a job and those selected are happy for a while.

Another item of interest to all concerned is the estimate of gold the proposed mine has a potential to produce. Estimate or no estimate, we don't know how much exactly the earth in that particular place contains. Recently Nova Gold put in the great land bush mailer a written fact that the world's oceans are estimated to contain up to 15,000 tons of gold. Where they got that information, I don't know. They should go out in the ocean and look for gold.

The management may be enthusiastic and speak glowingly of what it contains at the proposed mine. They speak of good paying jobs to all concerned. Surely they can't employ all of us. The management will employ a few hundred but not the total population. Like as with any other business, if successful, will enrich a few. But if not, they can declare bankruptcy and walk away leaving the employee without a job, no pension plan, and to other benefits. We on the other side will end up cleaning up their dirty work at the expense and paying with our lives, with our subsistence and traditional way of life.

If they do leave us with their mess, they will be comparable to some company back in history like some big auto insurance company the AIG who have lost millions or billions. The mine management will be known for their arrogance, incompetence and greed.

The potential effects of this proposed mine are extremely risky to our health and well being and the foreseeable consequences are too great to be ignored for all concerned in the interior, the Kuskokwim and the Yukon.

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