



March 29, 2013

Mr. Don Kuhle
Regulatory Division
US Army Corps of Engineers
P.O. Box 6898
Joint Base Elmendorf Richardson, AK 99506-0898

RE: Donlin Gold Project EIS – Scoping Comments

Dear Mr. Kuhle:

This letter contains scoping comments prepared by Donlin Gold LLC (Donlin Gold) for consideration by the US Army Corps of Engineers (Corps) in developing the scope of the Donlin Gold Project (Project) Environmental Impact Statement (EIS). The purpose of scoping is to help the Corps and cooperating agencies determine the significant environmental issues to be analyzed in the EIS, the range of alternatives to be assessed, potential future projects that could have cumulative impacts, and existing environmental data to be used in the EIS.

Donlin Gold has been conducting exploration activities, collecting environmental baseline information, and engaging with local communities since 1996. Since 2004 we have continued a well-documented and thorough community engagement program in conjunction with the advancement of Project feasibility studies. We have put significant effort into evaluating alternatives and designing a Project that is viable, safeguards the environment, and would enrich the lives of residents of the Yukon-Kuskokwim region. Our combined experience in developing an environmentally responsible Project design, and spending significant time working with communities in the region, enables us to provide you with the following scoping comments that we believe will be beneficial in developing a robust and defensible EIS.

Our comments below focus on providing background on the public outreach we have conducted in the region, an explanation of our purpose and need for the Project, insights into alternatives, and suggestions related to particular resource areas. While specific comments on socioeconomics occur later in this letter, we cannot stress strongly enough the importance of capturing the direct and indirect socioeconomic benefit of the Project on the region and State.

Public Outreach Process

Donlin Gold has performed extensive outreach activities with communities in the region. The intent has been to provide residents with information about Donlin Gold and the Project and also to seek

feedback on the Project. We believe that listening is as important as talking in the communities and that early involvement has been a key to understanding the potential concerns and hopes about the Project. We use the term “hope” since many residents have expressed hope that the Project will bring some economic certainty and diversity into the region. The following table (Table 1) provides a summary of our outreach activities related to regional communities and tribal organizations since 2004. The meetings and visits in the table include Project updates, training sessions, and listening sessions.

Table 1: Donlin Gold’s Community Outreach Activities since 2004

Year	Community Meetings	Tribal Council Meetings	Native Corporation and Native Organization Meetings
2004	Crooked Creek Grayling Holy Cross	Crooked Creek Traditional Council	The Kuskokwim Corporation (TKC) Calista
2005			TKC, Association of Village Council Presidents (AVCP), Calista
2006	Bethel Crooked Creek Sleetmute	Chuathbaluk Tribal Council Georgetown Tribal Council	Kuskokwim Native Association (KNA) AVCP
2007	Bethel Crooked Creek Sleetmute	Georgetown Tribal Council Napaimute Tribal Council	Calista TKC KNA
2008	Crooked Creek, Emmonak, Kotlik, Marshall Village, Napakiak Atmauthluak Alakanuk, Nutoc, Tuntutuliak, Kipnuk, Lower Kalskag, Goodnews Bay, Kwethluk (Akiak, Akiakchak, and Tuluksak also attended), Aniak school	Crooked Creek Traditional Council, Orutsarmuit Native Council	Calista TKC AVCP National Congress of American Indians (NCAI),
2009	Crooked Creek, Quinhagak (Goodnews Bay, and Tuntutuliak also attended) Saint Mary’s (Mountain Village, Pitka’s Point, Pilot Station, Marshall, Russian Mission also attended), Kipnuk (Kongiganak, Kwigillingok, Chefornek also attended), Napakiak (Oscarville, Napaskiak, Atmautluak, Kasigluk, Nunapitchuk also attended), Aniak (Lower & Upper Kalskag, Chuathbaluk, Napaimute, Crooked Creek, Red Devil, Sleetmute, Stony River attended), Bethel, McGrath (Telida, Nikolai, Takotna, Grayling, Anvik, Sageluk and Holy Cross also attended), Toksook Bay (Tununak, Newtok, Nightmute, and Mekoryuk also attended) Emmonak (Alakanuk and Nunam Iqua also attended); Hooper Bay (Paimute, Chevak, Scammon Bay also attended)	Crooked Creek Traditional Council, Orutsarmuit Native Council, Lower Kalskag	Calista, TKC, AVCP, NCAI, Qemirtalek Corporation (Kongiganak), Indian General Assistance Program (IGAP) Environmental Employees, Kuskokwim River Watershed Council, Cenaliulriit Coastal Management Council,

Year	Community Meetings	Tribal Council Meetings	Native Corporation and Native Organization Meetings
2010	Nikolai, Skwentna, Lower Kalskag, Crooked Creek, Bethel, Upper Kalskag, Tuluksak, Stony River, Sleetmute, Chuathbaluk	Crooked Creek Traditional Council, Orutsarmuit Native Council	Calista, TKC, AVCP, NCAI, Kuskokwim River Watershed Council meeting, Alaska Federation of Natives Convention (AFN)
2011	Crooked Creek, Oscarville, Napaskiak, Kwethluk, Akiak, Chuathbaluk, Bethel, Atmautluak, Cheforak, Eek, Tuntutuliak, Quinhagak, Saint Mary's, Mountain Village, Russian Mission, Skwentna, Nunapitchuk, Crooked Creek, Upper Kalskag, Lower Kalskag, Sleetmute	Akiak IRA, Chuathbaluk Traditional Council, Native Village of Eek, Native Village of Napaskiak, Native Village of Nunapitchuk, Native Village of Tuntutuliak, Organized Village of Kwethluk, Oscarville Traditional Council, Village of Atmautluak, Village of Cheforak, Village of Upper Kalskag, Village of Lower Kalskag, Village of Sleetmute, Crooked Creek Traditional Council	Oscarville Native Corporation, Napaskiak Incorporated, Kwethluk Incorporated, Kokarmuit Corporation, KNA Bethel Native Corporation, Atmautluak Limited, Nunapitchuk Limited, Doyon, Calista, AFN
2012	Lower Kalskag, Akiachak, Upper Kalskag, Atmautluak, Crooked Creek, Stony River, Alakanuk, Toksook Bay, Tununuk, Nightmute, Newtok, Mekoryuk, Kongiganak, Platinum, Napaskiak, Quinhagak, Tuluksak, Eek, Kasigluk, Aniak, Sleetmute, Chuathbaluk, Russian Mission,	Lower Kalskag, Chuathbaluk	Calista, CIRI, AVCP, AFN

These meetings have helped us in numerous ways. For example, public input has helped us identify additional areas in which to conduct baseline monitoring and focus our environmental review; public input also factored into many of our decisions related to Project design including the change from the originally proposed diesel-fueled power plant to the natural gas-fired power plant supplied by a natural gas pipeline.

In addition to community meetings, we prepare, mail, and post on our website monthly newsletters that update communities on the activities and schedule for the Project. The newsletters address topics of interest or concerns that we have heard during community meetings. In addition to sharing information about the Donlin Project, each newsletter features a section that provides information to non-natives about an aspect of the Yup'ik culture. For your record we are providing the Corps with a complete set of Donlin Gold newsletters to date, along with examples of our Project description booklets, and our website communications (enclosed).

We have taken residents of the region on tours of gold mines including Fort Knox in Alaska and mines operated by Barrick in Montana and Nevada so that they can see first-hand what an operating mine looks like, how mine wastes and tailings are managed, and the success of reclamation techniques.

From 2009 through 2012 we also held meetings in conjunction with tours of the Project site for organizations and city, tribe, and village corporation representatives of the following villages:

- 2009 - Kasigluk, Bethel (2), Akiachak, Tuluksak, Eek, Kwethluk, Nunapitchuk, Atmauthluak, Georgetown
- 2010 - Bethel, Tuluksak, Kalskag, Sleetmute, Chuathbaluk
- 2011 - Chuathbaluk HS, Napaskiak, Nikolai, Napakiak, Tuntutuliak, Aniak, Marshall, Kwethluk, Lime Village, Eek, Kipnuk, Akiak, Good News Bay, Mekoryuk, Bethel, Pilot Station, Akiachak, Quinhagak, Platinum, McGrath, Chefnak
- 2012 - Napakiak, Newtok, Kwethluk, Toksook Bay, Kongiganak, Kasigluk, Bethel, Lower Kalskag, Tuntutuliak, Quinhagak, Atmautluak, Upper Kalskag, St Mary's, Chuathbaluk, Aniak, Russian Mission, Tuluksak, Holy Cross

Our outreach process has evolved over the years as we have learned more about how to effectively engage with the communities and various organizations in the Yukon- Kuskokwim region. Visiting each of the villages has been critical to understanding concerns unique to each community and developing the relationships necessary to build trust and become a good neighbor.

Based on our experience working with people in the region, we have the following comments on the public outreach portion of the scoping process:

Hub Approach

We have used the hub community approach employed by the Corps during scoping and we believe the Corps' approach was a reasonable method of balancing participation within the region and conducting the process within a reasonable time frame. While the Corps was responsible for planning and implementing the scoping meetings, Donlin Gold encouraged participation by representatives of "spoke" communities by offering them transportation to the scoping meetings held in the hub communities. The Corps used a map of community clusters to determine locations for scoping meetings. We contacted communities within the cluster in advance of the meeting to offer free transportation to the meeting. We contacted the tribe, city, and village corporation in each village and offered at least one seat each on a charter flight. If villages were accessible by ice road or snow machine trail, we offered reimbursement of their fuel expenses. More than 25 people from 10 different communities were able to attend a scoping meeting using transportation provided by Donlin Gold.

Yup'ik Translation

Due to the challenge of communicating with residents whose first language is not English, we regularly use translators that are accepted by the communities. In addition, we worked with translators to build a "mining term glossary" that accurately describes activities, processes and products that are not familiar to residents (enclosed). For example, the terms "tailings" and "waste rock" do not have direct Yup'ik translation and need more description. We also developed a Yup'ik Project description booklet that is provided at meetings and on our website (enclosed). These documents have been vetted by Yup'ik speakers and effectively used in the region. We

recommend their use by the Corps since it is critical that the descriptions of the Project and activities are fact-based and unbiased; and that the translation is consistent from location to location (within the region) and throughout the process from scoping through the draft and final EIS stages. We strongly believe that using a consistent and vetted vocabulary for presentations in Yup'ik is critical to ensuring an effective public participation process. We have been supportive of the Corps' efforts to provide translation services at scoping meetings.

In addition, we recommend that the following documents and information be translated into Yup'ik: the executive summary of the scoping report, information announcing the draft EIS comment period, summaries of the DEIS and the FEIS, and the Record of Decision.

Purpose and Need

The purpose and need statement is critical in establishing the range of alternatives to be evaluated in the EIS, and is also relevant to defining the so-called "overall project purpose" which will drive the alternatives evaluation under the Clean Water Act (CWA) Section 404 permit.

The purpose and need statement and the Corps' consideration of alternatives should recognize the special land status of the Donlin Gold Project. The proposed mine is sited on lands owned by Calista Corporation and The Kuskokwim Corporation (TKC), the regional and village Alaska Native corporations owning the respective mineral and surface estates. Under the Alaska Native Claims Settlement Act (ANCSA), Alaska Natives gave up claims to aboriginal lands in exchange for rights to select land in their traditional areas. In enacting ANCSA, Congress specifically highlighted the need to "provide for the real economic and social needs of Natives ... with maximum participation by Natives in decisions affecting their rights and property." Alaska Native corporations are "for profit" corporations, established by Congress, whose purpose is to provide benefits to Alaska Native shareholders. As the Ninth Circuit Court of Appeals has recognized, "Congress intended... that those Native corporations that did select land for its economic potential would be able to develop that land and to realize that potential." Congress also recognized that the benefits of resource development on ANCSA lands would provide State-wide benefits. Under Section 7(i) of ANCSA, Alaska Native corporations must share revenues from resource development with other regional Alaska Native corporations. For the Project, Calista and TKC have entered into commercial arrangements with Donlin Gold which indicate their strong desire to develop these particular mineral resources for the benefit of their Alaska Native shareholders.

Our suggested purpose and need statement recognizes the special status of these lands and the strong interest Alaska Natives have in maximizing economic benefits from the resources they selected under ANCSA in exchange for their aboriginal claims. We emphasize that the "need" underlying the Project differs from that underlying resource development projects occurring on federal, state, or ordinary private lands. The Alaska Native corporations – Calista and TKC – have sought out Donlin Gold to explore and develop these resources for the maximum benefit of their native shareholders. We recommend that the Corps use the following purpose and need statement for the EIS and for related work on the CWA Section 404 permit overall project purpose, which is consistent with our Plan of Operations and the basis for the permit applications

submitted to the Corps and other regulatory agencies:

The purpose of Donlin Gold's proposed project is to profitably produce gold from ore reserves owned by Calista Corporation, an ANCSA corporation, utilizing open-pit mining methods and conventional, proven milling processes suitable for the characteristics of the ore reserves and for application in remote western Alaska.

The need for the proposed project is to enable Calista Corporation and The Kuskokwim Corporation to maximize economic benefits for their Native shareholders, from lands selected under ANCSA for their mineral potential, by producing gold to meet world-wide demand. Gold is an established commodity with international markets.

Alternatives

Donlin Gold has provided the Corps with a description of our proposed Project. NEPA requires that alternatives to the proposed action be analyzed in the EIS. The following comments apply to the alternatives analysis.

Integrate CWA Section 404(b)(1) analysis into the EIS

The NEPA regulations require development and evaluation of a range of reasonable alternatives. The CWA Section 404(b)(1) regulations require an alternatives evaluation that supports identification and selection of the Least Environmentally Damaging Practicable Alternative (LEDPA). We encourage integration of the CWA Section 404(b)(1) alternatives development and analysis into the EIS to ensure that the environmental review and permitting processes are concurrent, efficient, and consistent. This is consistent with the intent of NEPA, the Corps' own CWA Section 404(b)(1) regulations and recent guidance issued by CEQ on NEPA efficiencies (Improving the Process for Preparing Efficient and Timely Environmental Reviews under the National Environmental Policy Act, March 6, 2012, CEQ). We emphasize the need to focus the analysis on alternatives that are practicable in light of the overall project purpose (see suggested language above under "purpose and need"), Donlin Gold has extensive experience on what is practicable in the context of this type of mining and looks forward to sharing that expertise with the Corps.

Utilize Existing Information

Donlin Gold has evaluated a number of alternatives to the Project components in development of the current proposed Project. We have evaluated alternatives for mineral processing, waste rock and tailings disposal site locations and methods, closure, power supply, and site access. We believe that these analyses will directly support the LEDPA and NEPA analyses, particularly in terms of informing what is reasonable (under NEPA) and practicable (under CWA Section 404). Donlin Gold will be providing an Environmental Evaluation Document (EED) to the Corps that includes information on the alternatives that we have evaluated for the Project components. In addition, we believe it is necessary to meet with the Corps and the cooperating agencies to describe the alternatives that we have evaluated and how and why we settled on the current

Project description. We understand that the Corps and agencies need to independently analyze the alternatives, but the information we have collected will be useful to the Corps in deciding which alternatives will be evaluated in the EIS. This is also consistent with the NEPA efficiencies guidance (cited above) that encourages agencies to use existing documents and studies.

Gas Source

The Cook Inlet basin supplies Anchorage and nearby communities with natural gas, which is the principal source of energy in the area for heating and electric power generation. The Cook Inlet basin is facing an energy shortage. A number of potential projects have been discussed to bring new sources of gas into the Cook Inlet basin. By way of example only, local utilities have discussed construction of a facility to import LNG or compressed natural gas from abroad. There is a proposal by Alaska Natural Gasline Development Corporation to construct a 737-mile, 36-inch buried pipeline from the Prudhoe Bay field on Alaska's North Slope to Southcentral Alaska. Others have advocated trucking LNG from the North Slope, and drilling new wells in Cook Inlet to keep pace with declining production from existing wells.

These projects, which are in various stages of conceptual discussion or development -- and may not happen for some time or at all -- have been or will be evaluated by project proponents and regulatory agencies independently of the Project, are not proposed by Donlin Gold, and are not contingent upon construction of the Project's contemplated pipeline or the Project's fuel source needs. We wish to emphasize the following points concerning gas supply and relevance to the scope of the Donlin Gold EIS.

First, the feasibility of the Donlin Gold Project is dependent on the need for a reliable fuel source available at start-up, potentially as early as 2018. A construction decision and need to have certainty on gas supply would be needed by the time of the Corps EIS Record of Decision, currently scheduled for 2015. Donlin Gold must have certainty on the supply of gas prior to making a construction decision. As a result, the only source of gas that is feasible for the proposed Project is supply through Southcentral Alaska. All of the potential sources in the Interior and from the North Slope remain speculative and would require extensive timeframes for feasibility, permitting, construction, and start-up such that they are unlikely to be available to meet the Project needs. Therefore, based on current knowledge, the scope of the EIS should consider only Southcentral Alaska as a gas source for Donlin Gold.

Second, for purposes of the Donlin Gold EIS, the various gas supply projects and the Project have independent utility from each other. Hence, for purposes of NEPA, the Project is not "connected" to any of the various gas supply projects being considered on parallel fronts, and there is no obligation on the part of the Corps to analyze the Project and any of the various gas supply projects in a single EIS.

Access Road

Concern regarding the use of river barges to transport materials to the site over the life of the Project was voiced at a number of the scoping meetings. Recognizing that alternative methods to

access the site are likely to be considered in the NEPA process, we recommend that the Corps consider the relevant information that we gathered in our own analysis of the feasibility of building an access road, including the assessment we conducted in evaluating an overland route from a landing site near Aniak. We believe that our insight regarding this topic would be beneficial and request that Donlin Gold be included in discussions regarding the consideration of land-based access alternatives.

Mitigation Measures

Donlin Gold has been diligent in developing our Project proposal to minimize environmental impacts and incorporate state-of-the-art control technologies. Following are some examples:

- Designing the waste rock facility and tailings impoundment to facilitate closure;
- Backfilling the ACMA pit with waste rock to reduce the size of the waste rock facility;
- Protective measures to encapsulate potentially acid generating waste rock;
- Synthetic lining the tailings impoundment;
- Completely recycling process wastewater from the tailings impoundment during operations (no discharge); contact water would flow to the pit at closure;
- Providing for a post-closure water treatment plant to treat pit water as needed to meet permit retirements. Donlin is committed to establishing financial assurance to pay for long-term water treatment costs and other closure costs;
- Using natural gas to reduce diesel consumption; and
- Installing state-of-the-art mercury emissions controls.

We understand that during development of the draft EIS there could be additional control or mitigation measures identified to further avoid, minimize, and/or compensate for the Project's potential environmental impacts. We are committed to implementing additional mitigation that is feasible, consistent with permit requirements, and that will result in measurable environmental protection and/or socioeconomic improvements. We request that the Corps involve us in development of mitigation measures early in the process.

Mercury

Concerns regarding mercury in the region have been raised during the scoping meetings. The EIS must clearly describe the presence of mercury in the Donlin ore and the fate and transport of mercury through mineral processing. It also will be important to disclose the presence of existing sources of mercury in the region in terms of both the baseline discussion and cumulative impacts sections of the EIS. For example, there are existing sources of mercury that contribute to mercury loading in the Kuskokwim River and its tributaries from natural mercury mineral occurrences and

from historic mining practices that mined or used mercury. The EIS must clearly differentiate between the mercury loading from existing sources and anticipated contributions from the Project.

We are concerned that entities that are unfamiliar with the Project and are not content to wait for the EIS will overstate the potential impacts from mercury. Therefore, the EIS must describe, in an understandable manner to residents of the region, the nature of the potential impacts that mercury from the Project can have on human health and the environment and the effectiveness of mercury control technologies.

Donlin Gold, through Barrick, has significant expertise in mercury abatement technology and mercury co-product management. This expertise is reflected in the Project design and we will be providing the Corps additional recent information from both point and non-point source studies. In addition, we want to assure the Corps and permitting agencies that we recognize the importance of this issue and are committed to utilizing the best available mercury control technologies to reduce mercury emissions. We are also committed to storing and transporting mercury co-product safely.

Climate Change

The potential impact of climate change was raised as an issue during the scoping meetings. Recent EISs have included the impacts a project may have on climate change and the impacts of climate change on the projects. Methods to evaluate climate change in EISs are evolving. We note that CEQ has issued draft guidance on how to evaluate climate change, but has not issued final guidance. (Draft NEPA Guidance on the Consideration of Effects of Climate Change and Greenhouse Gas Emissions, CEQ, February 8, 2010). We request that the Corps keep us updated on the issuance of final guidance so that we can ensure that we have provided the Corps with the information about the Project needed to evaluate climate change effects.

Subsistence

We are keenly aware of the importance of subsistence within the region and that subsistence activities and resources will be one of the central aspects studied in the NEPA analysis. While the Alaska National Interest Lands Conservation Act requires the Corps to assess the effects of a project on subsistence activities it is also important that subsistence activities be discussed in the context of socioeconomics (see below). Socioeconomic conditions directly relate to the ability to live a sustainable subsistence lifestyle, which in turn is related to the maintenance and strengthening of the Yup'ik culture, health and well-being. Health and well-being (also see HIA below) are an important part of the equation because the Project would contribute to an economy with the assurance that income will be available to fund the boats, motors, fuel and nets necessary to maintain subsistence activities.

We are sure that the Alaska Department of Fish and Game has accumulated a broad range of subsistence-related data that will be available for use in the analysis. We would note that during exploration activities that extend back to 1995, we have been unaware of conflicts with subsistence uses or users within the proposed mining area. We have understood that berry picking, moose hunting, and trapping are known to occur outside the proposed mine area.

Socioeconomics and Economic Development

Through our discussions with Calista, TKC, and the many villages in the region we understand the importance of the socioeconomic aspects of our activities and have responded accordingly with local hire programs and workforce development activities. Socioeconomics will be another critical piece of the NEPA analysis as well as the “public benefit” aspects of CWA Section 404 permitting. The challenge with the assessment is adequately capturing the complexity of the subsistence economy, including the interrelationship among wages and cost of living at the individual village level combined with the ANCSA-driven economics of the Calista and TKC organizations and their responsibilities to the other ANCSA corporations. These regional factors also need to be combined with broader economic conditions such as the more traditional assessment of increased revenues at the state level.

Donlin Gold has spent years working with TKC and Calista to encourage participation in workforce development within the region through training and local hire programs and public outreach activities. We have developed a reputation over the years for our high level of local hire and our standard for excellence and safety in the work place. We expect to continue and build on our local hire commitments as the Project advances towards construction and operations. We have enclosed our publication “Planning for your Future: Jobs with Donlin Gold” for the record as an example of our local efforts in this area.

Donlin Gold recognizes and respects the cultural and social importance of the subsistence way of life, as well as the critical role it plays in the health and well-being of the region’s residents. Because of this, we ensure that employees have time off for subsistence activities. In addition, providing cash input to the region’s economy enhances the residents’ ability to maintain a subsistence and village-based lifestyle because subsistence activities can occur with more certainty and efficiency (employees and their families can afford the needed equipment and supplies, e.g., fuel, nets, boats, snow machines). We are committed to continue working with the communities to further increase local employment and related socioeconomic benefits.

We stress the importance of a robust and complete socioeconomic analysis which evaluates impacts at both the village, regional, and state level. The analysis should include realistic projections of economic conditions over the life of the Project under the proposed action, the No Action alternative, and other alternatives. The continuing increase in the cost of village life needs to be considered in the analysis. This should include an assessment of the current status including health issues, social issues, substance abuse, food security, access to energy supplies, outward migration from villages due to lack of economic opportunities, the impact of declining populations on the viability of schools, and economic development potential.

Health Impact Assessment (HIA)

The Alaska Department of Health and Social Services (DHSS) is developing a Health Impact Assessment (HIA) for the Project. We wish to emphasize that the scope of health impact analysis in the EIS should be driven by the requirements of NEPA - and the scoping process in particular - rather than what is considered the industry practice for compiling HIAs. While Donlin Gold is

supportive of DHSS preparing an HIA, it will be important for the Corps to play an active role in managing that process to ensure that the DHSS-prepared HIA is useful in the EIS analysis. As a starting point, DHSS should carefully consider the EIS scoping comments and resultant scoping summary report in preparing its own scope for the HIA to guide the HIA in being responsive to the needs of the EIS.

We support development of the HIA as a separate document and inclusion of applicable components of the HIA in the EIS. We do not believe that the HIA in its entirety should be included in the EIS or incorporated by reference since the scope of potential health concerns evaluated in the HIA may be well beyond the scope required under NEPA. Conversely, the EIS may need to address items that are not adequately addressed in the HIA. In short, the HIA should be used as a resource by the Corps to evaluate potential impacts in the EIS, but the analysis itself should be driven by NEPA.

The health section of the EIS should identify potential direct impacts associated with exposure pathways and impacts. However, more "distal" effects cannot be evaluated quantitatively or even qualitatively in an EIS due to individual differences that cause dissimilar health effects and the multitude of lifestyle factors that can impact health. The Corps should be cautious in evaluating the potential for distal health effects that cannot be directly tied to the Project or which are not meaningful for the evaluation of alternatives.

As indicated above, we support including information about potential direct health and indirect impacts in the EIS. In addition, if the Corps determines that mitigation is needed for health impacts we would like to be part of that conversation. We do not think it would be appropriate for the Corps to simply accept blanket mitigation recommendations from DHSS. Mitigation measures identified in the HIA could serve as a starting point for mitigation within the EIS; however, the Corps should independently evaluate any mitigation measures proposed to mitigate potential health-related impacts.

The permits and approvals required for the Donlin Project establish standards for media such as air and water quality that are protective of human health and the environment. In addition to standards and mitigation required by applicable laws and regulations, we are willing to participate in conversations with the agencies, the Yukon-Kuskokwim Health Corporation, and potentially impacted communities to determine if there are additional mitigation measures that Donlin Gold might voluntarily implement to mitigate and respond to potential health concerns.

Last, we also want to ensure that the health section of the EIS considers and discloses positive health impacts from the Project.

Catastrophic Events

The CEQ regulations and relevant judicial decisions require consideration of reasonably foreseeable impact; however, agencies do not have to require remote and highly speculative consequences. This distinction is reflected in CEQ guidance which no longer requires evaluation of the so-called "worst case scenario" (see CEQ's Forty Most Asked Questions, March 1981,

question 21 "Worst-Case Analysis" was withdrawn). Some participants at the scoping meetings stated that the EIS needs to address catastrophic failures such as pipeline breaks or dam failures. In considering the extent to which issues such as these should be addressed in the EIS, if at all, we encourage the Corps to give due consideration to those impacts which are foreseeable and essential to the consideration of alternatives versus those which are remote and highly speculative. For example, we know of no other EISs that evaluated impacts due to a tailings dam failure, and we think that scenario should not be evaluated in the Donlin Gold EIS.

Tailings Impoundment Permitting

The Donlin Gold scoping information and public presentation referred to the tailings impoundment as a "waste treatment facility". The term "waste treatment facility" is a phrase in EPA's and the Corps' regulations that describe the situation where a basin is administratively converted from waters of the U.S. into a waste treatment system via a CWA Section 404 permit. This is a common approach to permitting coal mines in the eastern U.S. and has been used for some hard rock mines where a tailings dam is constructed in a valley to create a basin, behind which tailings are directly discharged into the impounded waters. This is not an accurate description of the tailings management plan and permitting path proposed by Donlin Gold in our draft 404 permit application and supporting materials. Instead, Donlin Gold is proposing to excavate overburden and wetlands, and then fill the area with suitable foundation material (i.e., soil and rock). This process has the effect of converting the waters of the U.S. to uplands. Subsequently, Donlin Gold will install a synthetic liner above the foundation material. Tailings will be discharged on top of the liner into an area that was formerly waters of the U.S. The CWA Section 404 permit will be for discharge of fill to create a tailings dam and to create the foundation for the tailings impoundment. Surface water will be diverted around the impoundment as feasible.

We strongly urge the Corps not to use the term "waste treatment facility" in the EIS and the associated CWA Section 404 permit materials since it connotes an approach for waste management that is not being proposed here, and which, if left unaddressed, has the potential to confuse the public.

Integrated NEPA and Permitting Process

We encourage the Corps and cooperating agencies to follow the integrated NEPA and permitting approach utilized by Federal and State agencies on past mine development projects in Alaska, including Pogo, Red Dog Aqqaluk Extension, and Kensington. Coordination between NEPA and permitting agencies is a key tenet of NEPA and is highlighted in the NEPA efficiencies guidance mentioned previously. Coordination has the following advantages:

- Minimizes duplication – EIS analyses can be used by other agencies to support analysis needed for project permit, approval, and consultation actions. For example, the water quality assessment presented in the EIS can be used by ADEC and ADNOR in informing their decisions on Alaska Pollutant Discharge Elimination System (APDES) permit, the Waste Management Permit and Reclamation and Closure Plan, respectively.

- Clarifies agency roles - collaboration of permitting agencies in developing Chapter 1 of the EIS will result in a document that clearly defines agency roles and responsibilities and how they will specifically be applied to the Project. This is especially important given the large number of agencies involved and the need to clearly describe what the agencies are doing and why in a way the communities can understand.
- Builds Trust - collaboration builds trust between the agencies.
- Leverages Agency Resources - including analyses shared by other agencies and relying on other agencies areas of expertise leverages limited agency resources.
- Concurrent EIS and draft permit/approval comment periods – concurrent comment periods allow the public to holistically understand project impacts (EIS) and how permits/approvals will be conditioned to require implementation of project controls to mitigate potential impacts. In addition, concurrent comment periods result in a tighter overall project review and permitting schedule and avoid delays.

Applicant Involvement

Donlin Gold appreciates the regular communication meetings held by the Corps. We expect to continue to participate in these meetings during the NEPA process to facilitate communication. In addition, there are several key areas where past experience has demonstrated that applicant involvement is beneficial. These areas include:

- Development of the purpose and need statement with the Corps.
- Development of a range of “reasonable” NEPA alternatives and CWA Section 404 alternatives that are “practicable”. Donlin Gold understands the logistical, technical, and economic factors considered in the determination of what is reasonable and practicable.
- Development of mitigation measures with the Corps since we have the ability to predict mitigation success from real world applications at other mining operations.
- Provision of baseline environmental data and analysis that can be used in the EIS and collection of additional data, if warranted.
- We can serve as a resource for ideas on how to effectively communicate with the communities in the region. In addition we will need to coordinate our outreach efforts with the NEPA process so that meeting purposes are clear to the public.
- As a signatory to the Programmatic Agreement (PA) or Memorandum of Agreement (MOA) under Section 106 of National Historic Preservation Act, we expect to be involved in the process of developing the PA or MOA

The regular coordination calls can be used to determine when it is appropriate for us to participate in discussion of these issues. We encourage the Corps to continue to involve Donlin Gold at appropriate points.

Donlin Gold appreciates the opportunity to contribute these comments and looks forward to providing the agencies any additional information we have available to support the analysis.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stan Foo', with a stylized flourish at the end.

Stan Foo

President & General Manager

Enclosures: One (1) digital "thumb-drive"

CC: Taylor Brelsford, URS Alaska

This file contains the following information:

- Newsletter information
 - All published newsletters from 2005-present
 - Newsletter distribution summary information
- Project Description Booklet (2012, English and Yup'ik)
- Website screen-shots
 - Careers page (highlights talent bank, local hire program, current job opportunities, jobs that would be available if permitted, hyperlink to Donlin Gold jobs Booklet {i.e., Planning for Your Future: Jobs at Donlin Gold})
 - Community page (provides hyperlinks to newsletters, highlights community investments, scholarship information, and provides current information on upcoming village visits)
 - Environment page (conveys high-level information on the environmental plan, baseline studies, Kuskokwim River studies, water management, fish protection, mercury management, cyanide usage, tailings management, and barge traffic plans)
 - Mining terms in Yupik page (provides a glossary of mining terms translated into Yup'ik)
 - Our Plan page (highlights current information on the general project information, the history of the project, processing plant, how the project is proposed to be powered, closing the mine, and a hyperlink to the 2012 Project Description Booklet)
- Donlin Gold Jobs Booklet (2012)