

**DRAFT**

**Donna Pierce comments/conditions**

**4/5/11**

**Tailings Disposal** Required: All processed mine tailings disposed of underground in existing mine voids and those created by future mining operations

**Mine Access** Required: A new sea level mine access should be created opposite the rock dump. This access point would effectively address traffic, noise, air pollution, and light issues, and enable the mine plan to address water system safety concerns. This access point is so key to several other conditions (noted below) that it should be required.

**Milling** (Subsurface, use of chemicals.) Required: Milling operations underground. No use of cyanide locally.

**Drinking Water System** Required: Quality and quantity of water must be maintained—this is the highest priority and an absolute requirement.

Sea level access tunnel would enable all mining operations below to stay entirely separate from the water system. Drainage tunnel must be upgraded and maintained and separation systems constructed and constantly monitored.

Financial bond required guaranteeing clean water supply in event of failure of safety systems. Specific contingency plan must be in place.

**Economic** Concur with AJMAC Economic Subcommittee report; base lease payments and royalties on net smelter returns.

Incentives in lease desirable to encourage consistent level of employment

**Sustainability/Energy** Encourage development of additional hydropower resources with AELP (Lake Dorothy Phase 2). Waste heat from onsite generators should be used to provide heat to the mine.

**Traffic** Access tunnel at the rock dump would eliminate mine traffic on the road system, except for employees. Operator should provide bus transport to access point for shift changes.

**Noise/Light/Air** Noise, light and air pollution issues can be addressed by placing milling/crushing operations underground.

**Local/Regional Hire** Training programs in cooperation with UAS should be established. Local hire preference/training plan should be considered as part of lease.

**Rock** Waste rock has value for local and regional uses. Transport to the rock dump from the mine tunnel should be by conveyer to minimize noise and traffic. Rock can be temporarily stockpiled at the rock dump. Rock should be barged from the storage area except for use in the immediate locale.

**Discharge into Gastineau Channel** Required: Must meet all state water quality standards. Discharge treated water through sea level access tunnel.

**Exploration** Activities inside the mine, in particular those that may impact the water system, should be strictly limited until plans are approved and financial warranties are in place.

### **Assembly Next Steps/Establishment of a Council**

AJ3 Council While it has been suggested that authority be vested in an appointed citizen council, I do not believe that such a council is workable or appropriate. Only the Assembly is fully accountable-- to the citizens who elect them and to the lessees as signatories to the lease. The CBJ Assembly and the Planning Commission are the only local bodies with the authority to make binding decisions on the development or operation of an "AJ3" mine. The Assembly cannot delegate away its fiduciary responsibility or its liabilities.

This being said, there are benefits to establishing an AJ3 Council, or Project Team, appointed by the Assembly, that would include two or three Assembly members and representative citizens who could develop the base of knowledge and expertise necessary to move this project forward. The role of this Council would evolve over time and could eventually become an important open line of communication and oversight to the mining company. Again, the Assembly

should not delegate away its obligations under the lease and the permit; rather the Council would assist and support the accomplishment of those obligations. If in the creation of such a Council, the Assembly anticipates activities that would require ongoing financial support, funding for these could be addressed in the lease.

Specifying Conditions Conditions, such as those outlined above, that are agreed upon by a majority of the Assembly should be clearly stated in the lease document. As owner (with AJT under the Mining Unit Agreement), the Assembly has entire latitude in this document to articulate the terms that would render development of the AJ mine acceptable to the community, while avoiding overly prescriptive language that unnecessarily limits a mine developer.

Preferably, the Assembly will seek to reach substantial agreement among its members before proceeding. Developing, permitting, operating and eventually closing down a mine are a very long-term process. Clear intent and consistency on the part of the Assembly will be crucial to creating a successful relationship with a mining company and to providing assurances to the community.