



October 29, 2021

James Plosay  
Program Manager – Program Manager  
Air Permits Program  
Division of Air Quality  
Department of Environmental Conservation  
P.O. Box 111800  
Juneau, AK 99811-1800

Subject: **Donlin Gold LLC  
Air Quality Control Construction Permit AQ0934CPT01  
Third Extension Request**

Dear Mr. Plosay:

Donlin Gold LLC (Donlin Gold) hereby requests a third 18-month extension of the commencement of construction deadline under Section 1.2 of Air Quality Control Construction Permit (AQCP) AQ0934CPT01 (Air Permit).

## Background

Donlin Gold has proposed the development of an open pit, hard rock gold mine in southwest Alaska (Project). The Alaska Department of Environmental Conservation (ADEC) issued the Air Permit to Donlin Gold on June 30, 2017. The permit authorizes the installation of twelve (12) ultra-low sulfur diesel/natural gas-fired power generation units, boilers, emergency generators, incinerators, and other equipment. Condition 1.2 of the Air Permit requires Donlin Gold to commence construction of the authorized facilities within 18 months from the date of the permit, i.e., December 30, 2018, unless granted an extension in writing. On October 12, 2018, ADEC granted Donlin Gold a first extension through June 30, 2020, and granted on May 15, 2020 a second extension through December 30, 2021.

Pursuant to 40 Code of Federal Regulation (CFR) 52.21(r)(2), adopted by reference in 18 Alaska Administrative Code (AAC) 50.040, the ADEC may extend the 18-month period upon a satisfactory showing that an extension is justified. As described in the U.S. Environmental Protection Agency's (EPA) January 31, 2014 Guidance on Extension of Prevention of Significant Deterioration (PSD) Permits under 40 CFR 52.21(r)(2), relevant factors in determining whether an extension of the construction deadline is justified include: ongoing litigation over the PSD permit, natural disasters that directly affect the facility, significant or unusual economic impediments, and/or delays in obtaining other required permits. EPA's guidance provides that a request for an extension following an initial extension should include a substantive re-analysis

Donlin Gold, 4720 Business Park Blvd., Suite G-25, Anchorage, AK 99503  
Tel (907) 273-0200 Fax (907) 273-0201 [www.DonlinGold.com](http://www.DonlinGold.com)

and update of PSD requirements (Best Available Control Technology [BACT], air quality impact analysis, and PSD increment consumption analysis).

## Justification for Third Extension Request

The Donlin Gold project is in a remote region of Alaska that has no existing infrastructure. It is a large undertaking that involves the permitting of the power plant, mine site and support facilities, roads, a port, and a 315-mile natural gas pipeline. Donlin Gold has made substantial progress to secure the required federal and state permits, including:

- Completed a NEPA review that began with scoping in 2012, issuance of the draft Environmental Impact Statement (EIS) in 2015; completion of a 6-month public comment period in May 2016; and publication of the final EIS on April 27, 2018
- Received our water discharge permit from ADEC on May 24, 2018
- Received a special permit for a strain-based design for the natural gas pipeline from the US Department of Transportation Pipeline and Hazardous Materials Safety Administration on June 5, 2018
- Received the first Joint Record of Decision issued under EO 13807 (One Federal Decision policy) on August 13, 2018
- Received our Clean Water Act Section 404 and Rivers and Harbors Act Section 10 permit from the US Army Corps of Engineers (USACE) on August 13, 2018. This includes the ADEC 401 certificate of reasonable assurance issued August 10, 2018. The 401 certificate has been appealed to superior court.
- Received our Right-of-Way (ROW) grant offer from the Bureau of Land Management (BLM) on August 13, 2018
- Received twelve (12) Title 16 permits for the mine site, access road and port from the Alaska Department of Fish and Game (ADF&G) on August 30, 2018
- Received a Waste Management Permit for the mine and associated facilities from ADEC on January 18, 2019
- Received a Reclamation Plan Approval and Approval of Financial Assurance from the Alaska Department of Natural Resources (ADNR) on January 18, 2019
- Received a right-of-way lease from the ADNR State Pipeline Coordinators Office on January 22, 2020. This permit has been appealed to superior court.
- Received a series of limited entry authorizations from ADNR for a fiber optic cable ROW, the port facility on the Kuskokwim River, private access road, and airstrip along with establishing 7 material sites on state land near the transportation facilities on February 6, 2020
- Received twelve (12) water rights for the mine and Jungjuk (Angyaruaq) port facility on April 26, 2021. These permits are currently on appeal review by ADNR.

Despite these permitting accomplishments, Donlin Gold will not be positioned to commence construction by December 30, 2021 as required by the Air Permit and the second extension approval. Before Donlin Gold can commence construction, Donlin Gold needs to obtain

additional permits and authorizations. These include the following key permits and authorizations:

- The BLM, The Kuskokwim Corporation (TKC) and ADNR need to issue alternate public easements, which are required for Donlin Gold to enact its Public Access Control Plan for the mine site as required by the Air Permit. Donlin Gold is working with these entities to advance this easement relocation process.
- The Dam Safety Approval to Construct Certificates (Dam Safety Certificates) from the ADNR Water Resources Division are needed for 7 proposed jurisdictional dams before construction of these structures can begin, which are essential to mine operations. The Dam Safety Certificates involve significant engineering work, supported by geotechnical drilling and data gathering field programs. Donlin Gold initiated the field work in 2019 but was then postponed. Field work is scheduled to be re-started in 2022 and Donlin Gold will continue pursuing its Dam Safety Certificates.
- ADNR issued a right-of-way lease to Donlin Gold for construction of the natural gas pipeline across approximately 200 miles of state land. On March 18<sup>th</sup>, 2020 litigation was filed in State superior court challenging the issuance of that lease by ADNR.

Donlin Gold cannot commence construction until it receives these and other outstanding authorizations and the permit appeals on the 401 certificate, ADNR's ROW decision, and the twelve water rights are resolved. It will be critical to obtain these approvals to put Donlin Gold in a position to finalize engineering designs, secure project financing, procure necessary equipment, hire contractors, and mobilize the necessary equipment, materials, and manpower resources to commence construction. For a project of this size and remote location, these steps require additional time and represent a significant expense to complete.

Considering the timeframes associated with the outstanding authorizations, pending appeals and the time needed to transition from permitting to construction, Donlin Gold requests a third 18-month extension, allowing until June 30, 2023 to commence construction of the permitted sources. Donlin Gold believes an extension of the construction deadline is justified and reasonable given the complexity, lengthy permitting schedule, significant infrastructure requirements related to the project's remote location, and unusual economic challenges of constructing the Donlin Gold project.

## Verification of BACT, NAAQS and Increment

Under separate cover and as requested by ADEC Donlin Gold has submitted a new AQCP application. That application includes an updated BACT analysis per 40 CFR 52.21(j)(2). The new BACT analysis includes a review of the recent (last ten years) BACT determinations from the EPA RACT/BACT/LAER Clearinghouse. The review concludes that the recent BACT determinations validate and remain consistent with the BACT controls and emission limits currently established in the Air Permit. The new AQCP application also includes a new air quality analysis per 40 CFR 51.21(m) that was conducted with the new and approved onsite meteorological data collected at the Donlin Gold Camp site. The analysis concludes that the Donlin Gold project impacts comply with the National Ambient Air Quality Standards and the PSD increments.

We look forward to working with ADEC through review and consideration of this extension request and new AQCP application. Please contact me at (907) 980-2930 or [efernandez@donlingold.com](mailto:efernandez@donlingold.com) should you have any questions or require additional information.

Sincerely,



Enric Fernandez  
Permitting and Environmental Manager

Cc:

Aaron Simpson, ADEC

Brittany Crutchfield, ADEC

Dan Graham, Donlin Gold

Kevin Lewis, Air Sciences

Cathe Heroy, Project Coordinator, Alaska OPMP