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Arnold Schwarzenegger
Governor

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD CENTRAL VALLEY REGION

415 Knollcrest Drive, Suite 100, Redding, CA 96002

NOTICE OF PUBLIC HEARING

concerning

**ADOPTION OF INITIAL STUDY, NEGATIVE DECLARATION,
WASTE DISCHARGE REQUIREMENTS (NPDES PERMIT)**

AND

CEASE AND DESIST ORDER

FOR

**SHASTA GOLD CORPORATION,
FRENCH GULCH (NEVADA) MINING CORPORATION,**

AND

**U.S. DEPARTMENT OF AGRICULTURE, BUREAU OF LAND MANAGEMENT
WASHINGTON MINE
SHASTA COUNTY**

The Washington Mine complex is located 2.6 miles west of French Gulch on French Gulch Road in Section 17, Township 33 N, Range 7W, Mt. Diablo Baseline and Meridian. The mine is partially owned by Shasta Gold Corporation (SGC) and operated by French Gulch (Nevada) Mining Corporation (FGNMC), whose mailing address is P.O. Box 106, French Gulch, California, 96033. Unpatented claims are owned by the Federal government and administered by the U.S. Department of Interior, Bureau of Land Management (BLM). Mine drainage from several mine adits flows via gravity to both Scorpion Gulch and French Gulch, waters of the United States. SGC and FGNMC proposed to pump approximately 0.423 million gallons of water per day from the mine workings, treat the water, and discharge it to Scorpion Gulch. The operators also proposed to either cease the discharge of mine drainage from the mine adits and/or treat these discharges to appropriate standards prior to discharging to surface waters.

The Central Valley Regional Water Quality Control Board (Central Valley Water Board or Board) will consider adoption of an Initial Study, Negative Declaration, and new NPDES permit (referred to as Waste Discharge Requirements or WDRs), proposing new effluent limitations for numerous metals, ammonia, BOD, chlorine, electrical conductivity, nitrate, nitrite, oil and grease, pH, TDS, total petroleum hydrocarbons, TSS, methyl isobutyl carbonol, and potassium amyl xanthate. The Discharger is unable to immediately comply with the new effluent limitations from the existing adits which drain via gravity and therefore a Cease and Desist Order with a time schedule for compliance is proposed to be adopted concurrently.

The mining operation is an existing mine that has been in existence since approximately 1852, it is considered an existing mine and no environmental review is necessary for the continued mining operation. However, the construction of the water treatment system to treat mine drainage is considered a "new source" pursuant to 40 CFR 122.2 and therefore an environmental review under the California Environmental Quality Act (CEQA) is required.

A public hearing to address this matter will be held during the Regional Board meeting which is scheduled for:

DATE: 26/27/28 May 2010
TIME: 8:30 a.m.
PLACE: Central Valley Regional Water Quality Control Board
11020 Sun Center Drive #200
Rancho Cordova, CA

The designated parties for this hearing are as follows:

- Shasta Gold Corporation and French Gulch (Nevada) Corporation representatives, PO Box 106 French Gulch, CA 96033
- U.S. Department of Interior, Bureau of Land Management representatives

Designated parties but not interested persons will have these rights: to call and examine witnesses; to cross-examine opposing witnesses; to impeach any witness; and to rebut the evidence against him or her. Central Valley Water Board staff will prepare the administrative record, and may present evidence, make an oral presentation and cross-examine opposing witnesses.

Interested persons may not cross examine witnesses, and will not be subject to cross examination. Interested persons may submit evidence (e.g., photographs, eye-witness testimony, monitoring data) if the evidence is submitted in accordance with the deadlines for submitting evidence described below. Interested persons who present evidence may be subject to cross-examination. Interested persons may request status as a designated party for purposes of this hearing by submitting such request in writing to the Board no later than **3 May 2010**. The request must explain the basis for status as a designated party and in particular how the person is affected by the discharge.

Persons wishing to comment on the Initial Study and Negative Declaration must submit testimony, evidence, if any, and/or comments in writing to the Central Valley Water Board no later than by **5:00 pm on 10 May 2010**. Written materials submitted after 5:00 pm on the above date will not be accepted and will not be incorporated into the administrative record if doing so would prejudice any party.

The tentative Waste Discharge Requirements Order R5-2010-XXXX and Cease and Desist Order R5-2010-XXXX were issued on 12 January 2010, and the Board invited public comments on the tentative orders through 15 February 2010. The tentative Orders have not been significantly modified in the interim, and further comments on the tentative Orders will **not**

be accepted and will **not** be incorporated into the administrative record if doing so would prejudice any party.

All designated parties and interested persons may speak at the Regional Board meeting, and are expected to orally summarize their written submittals. Oral testimony and cross examination will be limited in time by the Board Chair. Both designated parties and interested persons may be asked to respond to clarifying questions from Board members, counsel staff or others, at the discretion of the Board.

Anyone having questions on the Initial Study, Negative Declaration, tentative NPDES permit or Cease and Desist Order for the **Washington Mine** should contact Phil Woodward at **(530) 224-4853**. Interested parties may download the proposed Orders and related documents from the Central Valley Water Board's Internet website at:

http://www.waterboards.ca.gov/centralvalley/board_decisions/tentative_orders/

Copies of these documents can also be obtained by contacting or visiting the Regional Board's office at 415 Knollcrest Drive, Suite 100, Redding, CA 96002-0129 weekdays between 8:00 a.m. and 5:00 p.m.

The procedures governing Central Valley Water Board meetings may be found at Title 23, California Code of Regulations, Section 647 et seq. and are available upon request. Hearings before the Board are not conducted pursuant to Government Code section 11500 et seq. The procedures may be obtained by accessing

http://www.waterboards.ca.gov/laws_regulations/

Information on meeting and hearing procedures is also available on the Board's website at http://www.waterboards.ca.gov/centralvalley/board_info/meetings/mtgprocd.shtml or by contacting any one of the Board's offices. Questions regarding such procedures should be directed to Ms. Kiran Lanfranchi-Rizzardi at (916) 464-4839.

The hearing facilities will be accessible to persons with disabilities. Individuals requiring special accommodations are requested to contact Ms. Kiran Lanfranchi-Rizzardi at (916) 464-4839 at least 5 working days prior to the meeting. TTY users may contact the California Relay Service at 1-800-735-2929 or voice line at 1-800-735-2922.

Please bring the above information to the attention of anyone you know who would be interested in this matter.

12 April 2010

original signed by

ROBERT A. CRANDALL
Assistant Executive Officer

PVW: lm