

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION**
11020 Sun Center Drive, #200, Rancho Cordova, California 95670-6114

RESOLUTION NO. R5-2010-0051

**APPROVING INITIAL STUDY
AND
NEGATIVE DECLARATION
FOR
SHASTA GOLD CORPORATION, FRENCH GULCH (NEVADA) MINING
CORPORATION, AND U.S. DEPARTMENT OF INTERIOR, BUREAU OF
LAND MANAGEMENT
WASHINGTON MINE
SHASTA COUNTY**

WHEREAS, Shasta Gold Corporation (formerly known as Bullion River Gold Corporation) and French Gulch (Nevada) Mining Corporation submitted a complete application to the California Regional Water Quality Control Board, Central Valley Region (hereafter Central Valley Water Board) for a National Pollutant Discharge Elimination System (NPDES) Permit (hereafter Permit) for the disposal of treated wastewater from the Washington Mine to Scorpion Gulch, a water of the U.S. in Shasta County; and

WHEREAS, the Washington Mine complex includes both private and public property, the latter which is administered by the U.S. Department of Interior, Bureau of Land Management; and

WHEREAS, Shasta Gold Corporation, French Gulch (Nevada) Mining Corporation, and the U.S. Department of Interior, Bureau of Land Management are designated hereafter as Discharger; and

WHEREAS, the Central Valley Water Board is the lead agency for this project under the California Environmental Quality Act and has conducted an Initial Study in accordance with Title 14, California Code of Regulations, Section 15063, entitled *Guidelines for the Implementation of the California Environmental Quality Act*, and

WHEREAS, the Washington Mine is an existing underground gold mine that is currently discharging mine drainage to surface waters from historic mine adits without an NPDES permit. The Discharger proposed to construct a water treatment system, dewater the underground workings and collect the existing on-going mine drainage, treat the water and discharge to Scorpion Gulch. The

proposed permit requires the Discharger to meet water quality standards that will protect the beneficial uses of the receiving waters; and

WHEREAS, copies of the Environmental Study and Negative Declaration were transmitted to or made available to all agencies and persons known to be interested in these matters and the Regional Water Board received no substantive comments regarding the Initial Environmental Study, or proposed Negative Declaration; and

WHEREAS, the Central Valley Water Board received comments on the tentative Waste Discharge Requirements and these comments have been considered and addressed; and

WHEREAS, the Central Valley Water Board has determined the proposed project will not have any significant environmental impacts; and

WHEREAS, the Central Valley Water Board considered all testimony and evidence at a public hearing held on 27 May 2010 in Rancho Cordova, California and good cause was found to approve the Initial Study and Negative Declaration: Therefore be it

RESOLVED, that the California Regional Water Quality Control Board, Central Valley Region, approves the Initial Environmental Study and Negative Declaration for the adoption of a National Pollutant Discharge Elimination System (NPDES) permit for the *Shasta Gold Corporation, French Gulch (Nevada) Mining Corporation, and U.S. Department of Interior, Bureau of Land Management, Washington Mine.*

I, PAMELA C. CREEDON, Executive Officer, do hereby certify the foregoing is a full, true, and correct copy of a Resolution adopted by the California Regional Water Quality Control Board, Central Valley Region, on 27 May 2010.

Original signed by

PAMELA C. CREEDON, Executive Officer