

STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Brian Sandoval, Governor

Leo M. Drozdoff, P.E., Director

Colleen Cripps, Ph.D., Administrator

June 27, 2012

Scott Lehman
Operations Manager
Gold Canyon Mining and Construction, LLC
9790 Gateway, Suite 220
Reno, Nevada 89521

Re: Notice of Alleged Air Quality Violation and Order Nos. 2402-2406
Class II General Air Quality Operating Permit AP1442-2807.02, COLA 2290 (FIN
A1231)

Dear Mr. Lehman:

On May 22, 2012, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP) and Gold Canyon Mining and Construction, LLC (Gold Canyon) held an enforcement conference to discuss Gold Canyon's alleged failure to comply with requirements set forth in Class II General Air Quality Operating Permit AP1442-2807.02, COLA 2290. Based on the information presented during the conference the NDEP determined that issuance of Notice of Alleged Air Quality Violation and Order (NOAV) Nos. 2402 through 2406 was warranted. These failures to comply represent air quality violations under **NAC 445B.275 Violations: Acts constituting; notice** (see below).

The attached NOAV's Nos. 2402 through 2406 allege that Gold Canyon is in violation of **Nevada Administrative Code (NAC) 445B.275 Violations: Acts constituting; notice**. **NAC 445B.275** states, in part, that: "1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by Nevada Revised Statutes NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

(c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.

(e) Failure to comply with any requirement for recordkeeping, monitoring, reporting or compliance certification contained in an operating permit.

NOAV Nos. 2402 through 2406 constitute major violations under **NAC 445B.281 Violations: Classification; administrative fines**. NOAV Nos. 2402 through 2406 are the first NOAV's issued to Gold Canyon in the past 60 months. As described in the enforcement conference, NOAV Nos. 2405 and 2406 will be issued as warnings.



Gold Canyon Mining and Construction, LLC

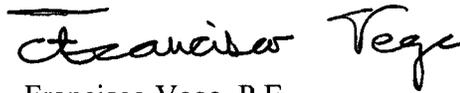
June 27, 2012

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An appeal of NOAV Nos. 2402 through 2406 may be requested pursuant to **Nevada Revised Statutes (NRS) 445B.360** and SEC administrative rules. A copy of SEC Appeal Form #3 is enclosed. Appeals must be received within 10 days of receipt of this notice, pursuant to **NRS 445B.340**. Appeals are processed through John Walker, the Executive Secretary for the SEC, at 901 South Stewart Street, Suite 4001, Carson City, Nevada, 89701-5249. Mr. Walker can be reached at 775-687-9308, or by fax at 775-687-5856. Please provide me with a copy of any correspondence your company may have with the SEC.

If you have any questions regarding the alleged violations or the enforcement conference, please call Ryan Clark at (775) 687-9536 or myself at (775) 687-9343.

Sincerely,



Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

FV/rc

Enc.: 1. Notice of Alleged Air Quality Violation and Order Nos. 2402 through 2406
3. SEC Appeal Form #3

cc (w/enc. 1): John Walker, SEC
Nye County Board of Commissioners
Francisco Vega, NDEP
FIN A1231 (Certified Copy)

E-Copy: Larry Kennedy, NDEP
Jeff Denison, NDEP

Certified Mail No.: 9171 9690 0935 0011 9039 84

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2402

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mr. Scott Lehman

Company Name: Gold Canyon Mining and Construction, LLC

Address: 9790 Gateway, Suite 220, Reno, NV 89521

Permit Number: AP1442-2807.02 **FIN:** A1231

Site of Alleged Violation: COLA #2290

Date of Observation: 4/26/2012 **Arrival:** 11 AM **Departure:** 1 PM

Ambient Temperature: 59 °F **Clear:** Cloudy X **Rain:** **Snow:**

Wind Speed: 10-12 mph **Wind Direction:** Out of South

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

(c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.

It is alleged that the following act or practice constitutes the violation:

Failure to have the permit posted conspicuously at or near the stationary source as required by NAC 445B.318.5.

Evidence:

Gold Canyon Mining and Construction, LLC (Gold Canyon) operates a crushing and screening plant in Nye County under Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290. The permit was issued on August 26, 2011 with operations commencing on October 25, 2011.

On April 26, 2012, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control was conducting a site visit at Round Mountain Gold Corporation, Smoky Valley Common Operation's Gold Hill project. During the site visit a large amount of dust was observed emanating from the equipment associated with COLA #2290 located at Gold Hill. As a result of this a site inspection was conducted at Gold Canyon's facility.

During the site inspection Gold Canyon was asked to provide a copy of Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290 so that NDEP-BAPC personnel could verify what equipment and associated controls were permitted for this location. Upon this request, all Gold Canyon could provide was a copy of the Class II General permit. There was no copy of COLA #2290 on-site. Upon this discovery, Gold Canyon contacted their corporate office to have a copy of COLA #2290 e-mailed to the site.

On May 22, 2012, the NDEP-BAPC and Gold Canyon held an enforcement conference to discuss Gold Canyon's failure to comply with Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290. The enforcement conference was held to allow Gold Canyon to explain their side of the story and provide the NDEP-BAPC with any information which would lead to the determination that the violation did not occur. Gold Canyon was unable to provide the NDEP-BAPC with any information that the violation did not occur and therefore the decision was made to move forward with the issuance of the violation.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2402

Evidence (continued):

In accordance with NAC 445B.281 Violations: Classification; administrative fines, failure to have the permit posted conspicuously at or near the stationary source constitutes a major violation. Notice of Alleged Air Quality violation and Order (NOAV) No. 2402, in conjunction with NOAV Nos. 2403 through 2406, represents Gold Canyon's first air quality violation in the past 60 months.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: \$ _____

To take corrective action: Maintain and post the permit on-site.

_____ To appear for a hearing before the Environmental Commission at:
Date: _____ Time: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

_____ This notice is a warning.

Signature Francisco Vega
Issued by: Francisco Vega
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: June 27, 2012

FV/rc
Certified Mail No.: 9171 9690 0935 0011 9039 84

This order becomes final unless appealed within ten (10) days after receipt of this notice or ten (10) days after a required enforcement conference. The person named in this order may appeal this notice by submitting a written request for a hearing to the Chairman of the Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. An administrative fine may be levied by the Environmental Commission of not more than \$10,000 per day of violation.

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2403

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mr. Scott Lehman

Company Name: Gold Canyon Mining and Construction, LLC

Address: 9790 Gateway, Suite 220, Reno, NV 89521

Permit Number: AP1442-2807.02

FIN: A1231

Site of Alleged Violation: COLA #2290

Date of Observation: 4/26/2012

Arrival: 11 AM

Departure: 1 PM

Ambient Temperature: 59

°F

Clear:

Cloudy:x

Rain:

Snow:

Wind Speed:

10-12 mph

Wind Direction: Out of South

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

(c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.

It is alleged that the following act or practice constitutes the violation:

Failure to install and operate required air pollution controls (wet dust suppression).

Evidence:

Gold Canyon Mining and Construction, LLC (Gold Canyon) operates a crushing and screening plant in Nye County under Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290. The permit was issued on August 26, 2011 with operations commencing on October 25, 2011.

On April 26, 2012 the Nevada Division of Environmental Protection, Bureau of Air Pollution Control was conducting a site visit at Round Mountain Gold Corporation, Smoky Valley Common Operation's Gold Hill project. During the site visit a large amount of dust was observed emanating from the equipment associated with COLA #2290 located at Gold Hill. As a result of this a site inspection was conducted at Gold Canyon's facility.

During the inspection it was found that there were 17 material transfer points that did not have wet dust suppression (WDS) installed as required by COLA #2290. A review of records showed that these units operated for a total of 147 days.

On May 22, 2012, the NDEP-BAPC and Gold Canyon held an enforcement conference to discuss Gold Canyon's failure to comply with Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290. The enforcement conference was held to allow Gold Canyon to explain their side of the story and provide the NDEP-BAPC with any information which would lead to the determination that the violation did not occur. Gold Canyon was unable to provide the NDEP-BAPC with any information that the violation did not occur and therefore the decision was made to move forward with the issuance of the violation.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2403

Evidence (continued):

In accordance with NAC 445B.281 Violations: Classification; administrative fines, failure to install air pollution control equipment constitutes major violations. Notice of Alleged Air Quality violation and Order (NOAV) No. 2403, in conjunction with NOAV Nos. 2402 and 2404 through 2406, represents Gold Canyon's first air quality violation in the past 60 months.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: \$ _____

To take corrective action: Install and operate all required pollution control equipment

_____ To appear for a hearing before the Environmental Commission at:
Date: _____ Time: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

_____ This notice is a warning.

Signature Francisco Vega
Issued by: Francisco Vega
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: June 27, 2012

FV/rc
Certified Mail No.: 9171 9690 0935 0011 9039 84

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2404

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mr. Scott Lehman

Company Name: Gold Canyon Mining and Construction, LLC

Address: 9790 Gateway, Suite 220, Reno, NV 89521

Permit Number: AP1442-2807.02 **FIN:** A1231

Site of Alleged Violation: COLA #2290

Date of Observation: 4/26/2012 **Arrival:** 11 AM **Departure:** 1 PM

Ambient Temperature: 59 °F **Clear:** **Cloudy:**x **Rain:** **Snow:**

Wind Speed: 10-12 mph **Wind Direction:** Out of South

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

(c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.

It is alleged that the following act or practice constitutes the violation:

Opacity exceedance on the crushing and screening Plant.

Evidence:

Gold Canyon Mining and Construction, LLC (Gold Canyon) operates a crushing and screening plant in Nye County under Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290. The permit was issued on August 26, 2011 with operations commencing on October 25, 2011.

On April 26, 2012 the Nevada Division of Environmental Protection, Bureau of Air Pollution Control was conducting a site visit at Round Mountain Gold Corporation, Smoky Valley Common Operation's Gold Hill project. During the site visit a large amount of dust was observed emanating from the equipment associated with COLA #2290 located at Gold Hill. As a result of this a site inspection was conducted at Gold Canyon's facility.

During the inspection it was found that dust was emanating from several emission points. As a result of this, a Method 9 Visible Emission Observation (VEO) was conducted. The NDEP-BAPC inspector conducted the Method 9 VEO on one of the two screening units that were present and operating. Both of the screening units were identical and were the worst offenders. Results from the Method 9 VEO conducted on just one of the screens resulted in a six minute average opacity of approximately 92%. The opacity limit for this emission point as stated in Permit AP1442-2807.02, COLA #2290 is 10%.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2404

Evidence (cont.):

On May 22, 2012, the NDEP-BAPC and Gold Canyon held an enforcement conference to discuss Gold Canyon's failure to comply with Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290. The enforcement conference was held to allow Gold Canyon to explain their side of the story and provide the NDEP-BAPC with any information which would lead to the determination that the violation did not occur. Gold Canyon was unable to provide the NDEP-BAPC with any information that the violation did not occur and therefore the decision was made to move forward with the issuance of the violation.

In accordance with NAC 445B.281 Violations: Classification; administrative fines, emissions exhibiting 10 percent opacity or greater from this emission point constitute major violations. Notice of Alleged Air Quality violation and Order (NOAV) No. 2404, in conjunction with NOAV Nos. 2402, 2403, 2405, and 2406, represents Gold Canyon's first air quality violation in the past 60 months.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: \$ _____

To take corrective action: Comply with all permitted emission limits.

_____ To appear for a hearing before the Environmental Commission at:
Date: _____ Time: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

_____ This notice is a warning.

Signature Francisco Vega
Issued by: Francisco Vega
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: June 27, 2012

FV/rc
Certified Mail No.: 9171 9690 0935 0011 9039 84

This order becomes final unless appealed within ten (10) days after receipt of this notice or ten (10) days after a required enforcement conference. The person named in this order may appeal this notice by submitting a written request for a hearing to the Chairman of the Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. An administrative fine may be levied by the Environmental Commission of not more than \$10,000 per day of violation.

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2405

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mr. Scott Lehman

Company Name: Gold Canyon Mining and Construction, LLC

Address: 9790 Gateway, Suite 220, Reno, NV 89521

Permit Number: AP1442-2807.02

FIN: A1231

Site of Alleged Violation: COLA #2290

Date of Observation: 4/26/2012

Arrival: 11 AM

Departure: 1 PM

Ambient Temperature: 59

°F

Clear:

Cloudy: X

Rain:

Snow:

Wind Speed: 10-12 mph

Wind Direction: Out of South

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

- (c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit, and
- (e) Failure to comply with any requirement for recordkeeping, monitoring, reporting or compliance certification contained in an operating permit

It is alleged that the following act or practice constitutes the violation:

Failing to maintain required recordkeeping and exceeding permitted hours of operation and throughput limitations.

Evidence:

Gold Canyon Mining and Construction, LLC (Gold Canyon) operates a crushing and screening plant in Nye County under Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290. The permit was issued on August 26, 2011 with operations commencing on October 25, 2011.

On April 26, 2012 the Nevada Division of Environmental Protection, Bureau of Air Pollution Control was conducting a site visit at Round Mountain Gold Corporation, Smoky Valley Common Operation's Gold Hill project. During the site visit a large amount of dust was observed emanating from the equipment associated with COLA #2290 located at Gold Hill. As a result of this a site inspection was conducted at Gold Canyon's facility.

Records were not reviewed while on-site, however, a records request was sent on April 26, 2012. Records were hand delivered on April 30, 2012. While reviewing the records that were submitted it was found that due to the non-linear nature of the material processing and different throughput limits on each system, the recorded throughputs could only be associated with one system (PF 1.013, Stacker Conveyor to Stockpile). As a result of this it has been determined that there are no throughput records for all other permitted systems. Review of the records showed that Gold Canyon operated under COLA #2290 for 147 days. Out of these 147 days of operation, there were 138 days where throughputs were exceeded on PF 1.013. There were also 5 days where hours of operation were exceeded.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2405

Evidence (cont.):

On May 22, 2012, the NDEP-BAPC and Gold Canyon held an enforcement conference to discuss Gold Canyon's failure to comply with Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290. The enforcement conference was held to allow Gold Canyon to explain their side of the story and provide the NDEP-BAPC with any information which would lead to the determination that the violation did not occur. Gold Canyon was unable to provide the NDEP-BAPC with any information that the violation did not occur and therefore the decision was made to move forward with the issuance of the violation.

In accordance with NAC 445B.281 Violations: Classification; administrative fines, failure to conduct required monitoring and record keeping and exceeding permitted hours of operation and throughputs constitutes major violations. Notice of Alleged Air Quality violation and Order (NOAV) No. 2405, in conjunction with NOAV Nos. 2402, 2403, 2404, and 2406, represents Gold Canyon's first air quality violation in the past 60 months.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: \$ _____

To take corrective action: Maintain all required recordkeeping and comply with all hours of operation and throughput requirements.

_____ To appear for a hearing before the Environmental Commission at:
Date: _____ Time: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

This notice is a warning.

Signature Francisco Vega
Issued by: Francisco Vega
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: June 27, 2012

FV/rc
Certified Mail No.: 9171 9690 0935 0011 9039 84

This order becomes final unless appealed within ten (10) days after receipt of this notice or ten (10) days after a required enforcement conference. The person named in this order may appeal this notice by submitting a written request for a hearing to the Chairman of the Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. An administrative fine may be levied by the Environmental Commission of not more than \$10,000 per day of violation.

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2406

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mr. Scott Lehman

Company Name: Gold Canyon Mining and Construction, LLC

Address: 9790 Gateway, Suite 220, Reno, NV 89521

Permit Number: AP1442-2807.02

FIN: A1231

Site of Alleged Violation: COLA #2290

Date of Observation: 4/26/2012 **Arrival:** 11 AM **Departure:** 1 PM

Ambient Temperature: 59 °F **Clear:** **Cloudy:** x **Rain:** **Snow:**

Wind Speed: 10-12 mph **Wind Direction:** Out of South

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

- (e) Failure to comply with any requirement for recordkeeping, monitoring, reporting or compliance certification contained in an operating permit

It is alleged that the following act or practice constitutes the violation:

Failure to submit the Change of Location Application Start Form.

Evidence:

Gold Canyon Mining and Construction, LLC (Gold Canyon) operates a crushing and screening plant in Nye County under Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290. The permit was issued on August 26, 2011 with operations commencing on October 25, 2011.

On April 26, 2012 the Nevada Division of Environmental Protection, Bureau of Air Pollution Control was conducting a site visit at Round Mountain Gold Corporation, Smoky Valley Common Operation's Gold Hill project. During the site visit a large amount of dust was observed emanating from the equipment associated with COLA #2290 located at Gold Hill. As a result of this a site inspection was conducted at Gold Canyon's facility.

After the site inspection a records review was conducted at the NDEP-BAPC office. As a result of this records review it was found that Gold Canyon had not submitted the required Change of Location Application Start Form. This form, which is provided by the NDEP-BAPC, is required to be submitted and postmarked no later than 15 days after the actual date of initial startup, as required by Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290.

On May 22, 2012, the NDEP-BAPC and Gold Canyon held an enforcement conference to discuss Gold Canyon's failure to comply with Class II General Air Quality Operating Permit AP1442-2807.02, COLA #2290. The enforcement conference was held to allow Gold Canyon to explain their side of the story and provide the NDEP-BAPC with any information which would lead to the determination that the violation did not occur. Gold Canyon was unable to provide the NDEP-BAPC with any information that the violation did not occur and therefore the decision was made to move forward with the issuance of the violation.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2406

Evidence (cont.):

In accordance with NAC 445B.281 Violations: Classification; administrative fines, failure to report constitutes a major violation. Notice of Alleged Air Quality violation and Order (NOAV) No. 2406, in conjunction with NOAV Nos. 2402 through 2405, represents Gold Canyon's first air quality violation in the past 60 months.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: \$ _____

To take corrective action: Comply with all permitted reporting requirements.

_____ To appear for a hearing before the Environmental Commission at:
Date: _____ Time: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

This notice is a warning.

Signature Francisco Vega
Issued by: Francisco Vega
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: June 27, 2012

FV/rc
Certified Mail No.: 9171 9690 0935 0011 9039 84

FORM # 3
FORM FOR REQUESTING AN APPEAL HEARING
BEFORE THE NEVADA STATE ENVIRONMENTAL COMMISSION

1. Name, address, telephone number, and signature of applicant:
Name: _____
Address: _____
Telephone: _____
Signature: _____
Representative Capacity (if applicable): _____
2. Specify type of applicant: Individual, Partnership, Corporation, or Other: _____
3. Other person or persons authorized to receive service of notice: _____
4. Complete description of the business or activity and the location of the activity involved in the request: _____

5. Nature of the appeal and grounds thereof: _____

6. Section or sections of the State Air Quality Regulations, Water Pollution Control Regulations, Hazardous Waste Regulations, Solid Waste Management Regulations, or NRS section involved in the appeal: _____

7. Approximate time in hours and minutes necessary for delivery of oral testimony and reading of prepared statements as admissible evidence to be entered in the record: _____

Date of Request _____

Send Form To: John Walker, State Environmental Commission, 901 South Stewart Street, Suite 4001
Carson City, Nevada 89701-5249 (Fax 775-687-5856)