



# Rock Creek Gold Mine

*by Bretwood Higman, Valisa Higman, David Coil, Elizabeth Lester*

LAST MODIFIED: 12TH AUGUST 2019

CREATED: JAN. 19, 2018

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## Summary

The Rock Creek Gold mine operated near Nome in Western Alaska for only two months in 2008 before shutting down due to a combination of mechanical, environmental, and financing issues. The mine is currently owned by the Bering Straits Native Corporation (BSNC).

## Mine Information

The Rock Creek Mine is an open-pit mine and was expected to produce 100,000 ounces of gold per year, through the processing of 7,000 tons of ore a day for a mine life of around four years. NovaGold Resources Inc. (<http://www.novagold.com/>) wholly owned and operated the mine through a subsidiary called the Alaska Gold Company Inc. This company, which includes the nearby prospects Big Hurrah and Nome Gold as well as some sand/gravel mining operations, was purchased by the BSNC in 2012.

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**ROCK CREEK CONSTRUCTION** — Construction at the Rock Creek Mine in 2006 — Get Photo (</photos/rock-creek-construction/>)

## Environmental Concerns

During the permitting and construction phases, a large number of environmental and public concerns (<http://dnr.alaska.gov/mlw/mining/largemine/rockcreek/pdf/concern.pdf>) (2 MB) were raised, including the risk of acid mine drainage (</Issues/MetalsMining/AcidMineDrainage.html>), the use of cyanide (</Issues/MetalsMining/GoldCyanidation.html>) at the mine, concerns about high levels of arsenic in the water, increased truck traffic, dust production, and effects on bird and fish

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populations in the area. These problems and concerns were exacerbated by the fact that the mine went through an “expedited” review process (</Documents/Rock%20Creek%20Mine%20Problems%20-%20Apr12.pdf>) which did not include an environmental impact statement (EIS). During construction, multiple failures of the water management system resulted in over \$800,000 in fines (<http://latimesblogs.latimes.com/greenspace/2009/05/mine-pollution-alaska-fine-epa-nome.html>) to NovaGold for violations of the Clean Water Act.

In 2007 the mine posted a \$6.8 million reclamation bond, which would be used to finance closure costs at the Rock Creek site if operations do not restart.

## Mine Suspension

During 2008 the mine suffered from mechanical/electrical problems with the mill, concerns about efficiency of the mine design, and difficulties with debt financing for the project, including running \$20 million over budget for the year. When operations commenced, state and federal regulatory agencies informed NovaGold that the mine didn't meet a number of conditions for the previously granted operating permits. After the second shutdown in two months, NovaGold decided to close down the project (<http://www.adn.com/2008/11/24/600762/novagold-forced-to-suspend-operation.html>) for an indefinite period of time.



## Current Status

In late 2011 the company [decided \(http://www.marketwire.com/press-release/novagold-third-quarter-financial-results-and-projects-update-tsx-ng-1572735.htm\)](http://www.marketwire.com/press-release/novagold-third-quarter-financial-results-and-projects-update-tsx-ng-1572735.htm) to end operations at the mine and reclaim the site. The total cost to close down and reclaim the site is expected to be just under \$30 million. The mine currently operates under a “[Temporary Closure/Care and Maintenance Plan \(http://dnr.alaska.gov/mlw/mining/largemine/rockcreek/pdf/closureplan2.pdf\)](http://dnr.alaska.gov/mlw/mining/largemine/rockcreek/pdf/closureplan2.pdf)” (4.1 MB), and is required to continue to meet environmental permit conditions during closure. Final permitting for the reclamation plan is underway, but some parties [have expressed interest \(http://www.nomenugget.net/story3.html\)](http://www.nomenugget.net/story3.html) in re-opening the mine. In 2012, the entire operation [was sold \(http://www.marketwire.com/press-release/novagold-completes-divestiture-of-rock-creek-project-in-alaska-tsx-ng-1720806.htm\)](http://www.marketwire.com/press-release/novagold-completes-divestiture-of-rock-creek-project-in-alaska-tsx-ng-1720806.htm) to the Bering Straights Native Corporation.

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## Further Reading

- > [DNR page on Rock Creek Mine containing all project documents and permits \(http://dnr.alaska.gov/mlw/mining/largemine/rockcreek/index.htm\)](http://dnr.alaska.gov/mlw/mining/largemine/rockcreek/index.htm)
- > [Northern Alaska Environmental Center page on Rock Creek Mine \(http://northern.org/programs/clean-water-mines/hardrock-mines-in-interior-and-arctic-alaska/rock-creek-mine-1\)](http://northern.org/programs/clean-water-mines/hardrock-mines-in-interior-and-arctic-alaska/rock-creek-mine-1)

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- > [NovaGold page for "Nome Operations" \(http://www.novagold.com/section.asp?pageid=3357\)](http://www.novagold.com/section.asp?pageid=3357)
- > [Technical Report: Rock Creek and Big Hurrah Project \(2008\), SEDAR website. \(http://www.sedar.com/GetFile.do?lang=EN&docClass=24&issuerNo=00000880&fileName=/csfsprod/data86/filings/01221226/00000001/y%3A\NOVAGOLD\SEDAR\filed145-rock\techrockcreek.pdf\)](http://www.sedar.com/GetFile.do?lang=EN&docClass=24&issuerNo=00000880&fileName=/csfsprod/data86/filings/01221226/00000001/y%3A\NOVAGOLD\SEDAR\filed145-rock\techrockcreek.pdf)
- > ["Rock Creek Mine Problems" \(2012\) Memo by Dave Chambers, Center for Science and Public Participation \(CSP2\) \(http://www.groundtruthtrekking.org/Documents/Rock Creek Mine Problems - Apr12.pdf\)](http://www.groundtruthtrekking.org/Documents/Rock%20Creek%20Mine%20Problems%20-%20Apr12.pdf)