

BRIAN SANDOVAL
Governor



STATE OF NEVADA
STATE ENVIRONMENTAL COMMISSION

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Director



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Rose Marie Reynolds

STAFF
Valerie King
Executive Secretary

September 06, 2013

Mitch Geisler
Chief Operating Officer
Nevada Rae Gold, Inc.
157 Adelaide Street West, Suite 508
Toronto, Ontario, Canada
M5H4E7

RE: Notice of Alleged Air Quality Violation and Order Nos. 2445, 2446, 2447, and 2448 Class II Air Quality Operating Permit AP104I-2646 (FIN A0411)

Dear Mr. Geisler:

On May 30, 2013 a representatives from the Nevada Division of Environmental Protection (NDEP) met with officials from your company in an enforcement conference concerning Nevada Rae Gold, Inc. alleged failure to comply with several requirements set for in the above referenced Air Quality Operating Permit. As an outcome of that meeting NDEP issued the above referenced NOAV(s); see attached.

When NDEP sent the NOAV(s) by certified mail on June 5, 2013, it Notified Nevada Rae Gold, Inc. of its appeal rights pursuant to NRS 445B.340 and NRS 445B.360. Since your company did not appeal the NOAV, the State Environmental Commission (SEC) will determine the appropriate penalty for the violations contained in the above referenced NOAV(s) at its meeting on October 09, 2013. This meeting will be held on Wednesday, October 09, 2013 at 10:00 a.m. in the Bryan Building in Carson City, Nevada (901 S. Stewart Street, 2nd Floor Tahoe Room).

Pursuant to NRS 445B.640(1), the SEC may levy an administrative fine of not more than \$10,000 per day per violation. At the meeting staff from NDEP will provide the SEC with a brief overview of the NOAV(s) and its recommendation for an administrative fine of \$600.00 which has been calculated from a penalty matrix previously approved by the Commission.

The Commission will formally levy a fine by accepting NDEP's recommendation or increasing or decreasing the fine amount based on the information presented at the meeting.

Your presence is not required at the October 09, 2013 meeting, although you or a company representative may wish to attend and speak on behalf of Nevada Rae Gold, Inc. The SEC may, without further notice, take

administrative action against Nevada Rae Gold, Inc., if the SEC determines that such administrative action is warranted after it considers NOAV noted above.

If you have any questions regarding this notice, please contact me at (775) 687-9374.

Sincerely,

Valerie King
Executive Secretary

vk

Certified Mail # 9171 9690 0935 0012 2751 96

cc: Colleen Cripps, Ph.D., Administrator
Michael Elges, Deputy Administrator
Francisco Vega, NDEP/BAPC
Rose Marie Reynolds, SEC/DAG