



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

Division of Mining, Land & Water
Mining Resources Section

Northern Office
3700 Airport Way
Fairbanks, Alaska 99709
Main: 907.451.2736
Fax: 907.451.2703

Southcentral Office
550 7th Ave Suite 900B
Anchorage, Alaska 99501
Main: 907.269.8647
Fax: 907.269.8949

May 6, 2019

Alyu Mining Inc./Haines Mining & Exploration Inc.
PO Box 130
Haines, AK 99827

Constantine North Inc./Constantine Mining LLC
Suite 320, 800 West Pender Street
Vancouver, BC, Canada V6C 2V6

RE: Multi-Year 2019-2023 Application for Permits to Mine in Alaska #5690

This office has reviewed and adjudicated your proposed reclamation plan under AS 27.19 and has issued an Approved Reclamation Plan for the activities described that will remain in effect until 12/31/2023, unless sooner revoked for cause.

Please submit any changes or modifications to your original activity no less than 30 days before commencement of the activity. Any amendments to your plan will be distributed to the agencies that received your original application.

By December 31st of each year that your approval is in effect, you are required to submit the following:

1. An Annual Exploration Report detailing the exploration and reclamation actions taken during the year.
2. A Letter of Intent to do Reclamation for the next season (Use Reclamation/Signature Page of the APMA).
3. A Statewide Bond Pool Renewal Form with appropriate fees for anticipated disturbances over five cumulative acres or sufficient financial guaranty should monthly acid-base accounting sampling indicate a potential for acid mine drainage.

These items will be distributed annually, to those agencies that received your original application. Please be advised that issuance of this permit by the Division of Mining, Land & Water does not relieve you of the responsibility of securing other permits required by federal, state, or local government agencies.

Please ensure that your Annual Exploration Report contains the following information:

- A written narrative describing your activities and the reclamation measures utilized at all disturbances.
- A topographic map showing the portion of the claim block where surface disturbing exploration activities have occurred. The plan map should be at a scale of 1"=1/2 mile, or other appropriate scale sufficient to illustrate: existing trails and roads; new trails and roads; drill hole locations; trench locations; the camp location; and, any other surface disturbances (please distinguish between reclaimed and unreclaimed features).
- A photo, with appropriate caption, of each reclaimed drill site.
- A photo of representative sections of any new road or trail construction.
- A detailed description of the methods used to plug drill holes. (Note: Cement collar plugs should not be utilized in soils susceptible to "frost jacking".)
- A list of the mineral properties that contain unreclaimed disturbance at the end of the year and a total acreage that remains unreclaimed.

- A summary of monitoring data and sampling events, including a map of sample sites and the protocols used for sampling.
- Any significant changes to reclamation activity costs or other changes to the operation of the facility.

If this office can be of additional service, please do not hesitate to contact me at (907) 269-8621.

Sincerely,

A handwritten signature in black ink, appearing to be 'SB', with a long horizontal stroke extending to the left.

Steve Buckley
Mining Section Chief



THE STATE
of **ALASKA**

DIVISION *of* MINING,
LAND *and* WATER

APPROVED RECLAMATION PLAN

APPROVAL # 5690

The Alaska Department of Natural Resources, Division of Mining, Land, & Water, in accordance with Alaska Statute 27.19 (Reclamation Act), does hereby grant an Approved Reclamation Plan to:

**ALYU MINING INC.
HAINES MINING & EXPLORATION INC.
PO BOX 130
HAINES AK 99827**

**CONSTANTINE NORTH INC.
CONSTANTINE MINING LLC.
SUITE 320, 800 WEST PENDER STREET
VANCOUVER BC V6C 2V6**

This approval is for reclamation activity described in Application for Permits to Mine in Alaska # 5690.

This operation has been bonded through the State Reclamation Bond Pool, under bond APMA #5690, for a proposed disturbance of 15 acres. The refundable portion of the bond pool deposit may be returned after reclamation is completed and approved by the Division of Mining, Land & Water.

In accordance with AS 27.19.050(c), you are required to file an Annual Reclamation Statement to serve as an annual report by December 31st each year this permit application is in effect, including photographs or video tape of the completed reclamation work. When submitting photography for approval, please photograph reclamation work prior to snowfall. Failure to submit this is a violation.

Effective dates of this approval shall be the date of signature through 12/31/2023.

Changes to the intended Reclamation Plan described in Application for Permits to Mine in Alaska #5690 shall be submitted to this office in writing and approved in advance before such work can begin.

Approved: _____

Steve Buckley
Mining Section Chief

Date: _____

5/6/19

TERMS OF APPROVAL

Sec 1. RECLAMATION STIPULATIONS: In accordance with AS 38.05 (Alaska Land Act), approval of your application is hereby granted and the following reclamation stipulations will be used:

- a. Topsoil and overburden muck, not promptly redistributed to an area being reclaimed, shall be separated and stockpiled for future use. This material shall be protected from erosion and contamination by acidic or toxic materials and shall not be buried by broken rock.
- b. The area reclaimed shall be reshaped to blend with surrounding physiography using strippings, and overburden, then be stabilized to a condition that shall retain sufficient moisture to allow for natural revegetation.
- c. Stockpiled topsoil, overburden muck and organic material shall be spread over the contoured exploration to promote natural plant growth.
- d. Exploration trenches shall be backfilled and the surface stabilized to prevent erosion. Brush piles, stumps, topsoil, and other organics shall be spread on the backfilled surface to inhibit erosion and promote natural revegetation. Exploration trenches will have water bars installed as needed for erosion control. Exploration trenches on state lands shall be flagged and signs posted to notify the public of the existence of the open trenches. All exploration trenches shall be reclaimed by the end of the exploration season in which they are constructed, unless specifically approved by the Division of Mining, Land & Water.
- e. Shallow auger holes (limited to depth of overburden) shall be backfilled with drill cuttings or other locally available material in such a manner that closes the hole to minimize the risk to humans, livestock and wildlife.
- f. All drill hole casings shall be removed or cut off at, or below, ground level.
- g. All drill holes shall be plugged by the end of the exploration season during which they are drilled, unless otherwise specifically approved by the Division of Mining, Land & Water.
- h. All drill holes shall be plugged with bentonite holeplug, a benseal mud, or equivalent slurry, for a minimum of 10 feet within the top 20 feet of the drill hole in competent material. The remainder of the hole will be backfilled to the surface with drill cuttings. If water is encountered in any drill hole, a minimum of 7 feet of bentonite holeplug, a benseal mud, or equivalent slurry shall be placed immediately above the static water level in the drill hole. Complete filling of the drill holes, from bottom to top, with a bentonite holeplug, benseal mud, or equivalent slurry is also permitted and is considered to be the preferred method of hole closure.
- i. If artesian conditions are encountered, the operator shall contact the Department of Environmental Conservation (907) 451-2136 for hole plugging requirements.
- j. Upon completion of drilling activity, drill pads shall be reclaimed as necessary, including reseeding, to encourage natural revegetation of the sites and protect them from erosion.
- k. Roads and surface disturbance shall be held to a minimum. Exploration roads, drills pads and trenches shall be constructed in such a manner that vegetation and topsoil will not be buried beneath overburden or broken rock. This may require the use of a track excavator for construction of these facilities on slopes so as to allow for segregation of materials during construction and subsequent reclamation. Exploration roads will have water bars installed for erosion control, and at the end of the project will be reclaimed by backfilling, contouring, and spreading of organic rich overburden to promote stabilization and natural revegetation.

Sec 2. DEFAULT: If recipient should fail to comply with the terms and stipulations contained in this approval, and after receiving written notice, fails to remedy such default within the time specified in the notice, the Director may revoke this approval.

Sec 3. OTHER PERMITS: Be advised that issuance of this Approved Reclamation Plan does not relieve the applicant of the responsibility of securing other permits required by Federal, State, or local authorities. Neither does this approval constitute certification of any property right nor land status claimed by the applicant.

Sec 4. SAVE HARMLESS: The recipient of this approval shall indemnify, save harmless, and defend the Department, its agents and its employees from any and all claims, actions or liabilities for injuries or damages sustained by any person or property arising directly or indirectly from permitted activities or the permittee's performance under this approval. However, this provision has no effect, if, and only if, the sole proximate cause of the injury is the Department's negligence.

Sec 5. APPEAL: A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal

must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b).

This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Questions concerning these regulations or this approval should be directed to the Division of Mining Land & Water, Northern Regional Office, 3700 Airport Way, Fairbanks, AK 99709-4699; or by telephone to (907) 451-2736.

Special Stipulations

Fire Prevention, Protection, and Liability:

- a. The applicant shall take all reasonable precautions to prevent and suppress forest, brush, and grass fires and shall assume full liability for any damages to state land resulting from the negligent use of fire.
- b. The State of Alaska is not liable for damage to the applicant's personal property and is not responsible for forest fire protection of the applicant's activity.

Annual Exploration / Reclamation Report:

You are required to file an Annual Exploration Report by December 31st of each year; please insure that your report contains the following information:

- A written narrative describing your activities and the reclamation measures utilized at all disturbances.
- A topographic map showing the portion of the claim block where surface disturbing exploration activities have occurred. The plan map should be at a scale of 1"=1/2 mile, or other appropriate scale sufficient to illustrate: existing trails and roads; new trails and roads; drill hole locations (other than shallow auger holes); trench locations; the camp location; and, any other surface disturbances (please distinguish between reclaimed and unreclaimed features).
- A photo, with appropriate caption, of each reclaimed drill site and exploration trench.
- A photo of representative sections of any new road or trail construction.
- A detailed description of the methods used to plug the drill holes.
- A list of Mining Claims by ADL# that contain unreclaimed disturbance at the end of the year and a total acreage that remains unreclaimed.

Water Use:

In any fish bearing waters, each water intake structure shall be centered and enclosed in a screened box designed to prevent fish entrapment, entrainment or injury. The effective screen opening may not exceed ¼ inch. To reduce fish impingement on screened surfaces, water velocity at the screen/water interface may not exceed 0.5 feet per second when the pump is operating.

Commencement of activity under this authorization deems acceptance of its terms and conditions.