

Rock Creek & Big Hurrah
Mine Project

Final
Reclamation Plan Approval

Reclamation Plan Approval F20069578

DEPARTMENT OF NATURAL RESOURCES
Division of Mining, Land and Water

August 9, 2006

The Alaska Department of Natural Resources, Division of Mining, Land and Water (ADNR), in accordance with and subject to Alaska Statutes 27.19 (Reclamation) and 38.05 (Alaska Land Act) and the Alaska Administrative Code, Title 11 and Chapter 97 (Mining Reclamation), approves the Reclamation Plan for the Rock Creek & Big Hurrah Mine Project (F20069578) submitted by:

Alaska Gold Company
P.O. Box 640
Nome, AK 99762

Throughout this document, unless otherwise specifically indicated, reference to Alaska Gold Company, AGC or Permittee are considered a reference to Alaska Gold Company. Throughout this document, unless otherwise specifically indicated, reference to the State, Department, ADNR, DNR or Division are considered a reference to the State of Alaska – Department of Natural Resources – Division of Mining, Land & Water.

Throughout this document, the Reclamation Plan is considered to consist of the Rock Creek Mine Plan of Operations Volume 4 - Reclamation Plan (May 2006), the Rock Creek Mine Operational and Closure Monitoring Plan (May 2006), and the Big Hurrah – Development Rock Handling Plan (Water Management Consultants May 26, 2006). Reference to any of these plans throughout this document is considered to be a reference to the Reclamation Plan.

Effective dates of this plan approval are August 9, 2006 through August 8, 2011, unless sooner revoked for cause; however, Alaska Gold Company's obligations under the terms and conditions of this plan approval shall continue, unless sooner terminated in accordance with the provisions of this plan approval, until completion of all requirements under and pursuant to the Reclamation Plan.

This plan approval is for activities upon private lands encompassed by the Rock Creek & Big Hurrah Mine Project as described in the Rock Creek Mine Plan of Operations Volume 4 - Reclamation Plan (May 2006).

This plan approval does not constitute certification of any property right or land status claimed by the applicant.

The Reclamation Plan was found to be complete and is approved by DNR with the following conditions:

GENERAL STIPULATIONS

Financial Assurance. This Reclamation Plan Approval does not take effect until Alaska Gold Company submits a bond in a form and substance approved by ADNR. The bond shall not be released until all affected areas have been reclaimed and are approved by the Authorized Officer and all other terms of this Reclamation Plan Approval are met. Modifications to the Reclamation Plan may, at ADNR's discretion, require bond review and update. The total bond of \$6,844,700 has been approved for the Rock Creek & Big Hurrah Mine Project and must be posted prior to commencement of significant surface disturbing activities or October 10, 2006, whichever is sooner. ADNR may require revision to the financial responsibility cost estimate to address any changes to the Reclamation Plan required as a result of updated geochemical characterization program for the Big Hurrah Project Site, development rock characterization / segregation records, or monitoring results at either the Rock Creek or Big Hurrah Mine Sites. The ADNR will review the adequacy of the bonding on an annual basis and may require more frequent bond adjustments if there are significant cost increases.

Terms of this Plan Approval. The Terms and Conditions contained within the Rock Creek Mine Plan of Operations Volume 4 (Reclamation Plan - May 2006), the Rock Creek Project Operational and Closure Monitoring Plan (May 2006), and the Big Hurrah – Development Rock Handling Plan (Water Management Consultants May 26, 2006) are hereby incorporated by reference as stipulations of this Reclamation Plan Approval. If there is a difference between the Reclamation Plan as submitted and the terms contained within this Reclamation Plan Approval, the terms contained within this Reclamation Plan Approval take precedence. Changes to the documents incorporated herein must be approved by ADNR if they affect this plan approval. If ADNR approves the changes, they become terms of this Reclamation Plan Approval.

Annual Review of Geochemical Characterization and Water Quality

Data: ADNR will conduct an annual review of the geochemical characterization data, development rock characterization / segregation records, and water quality data and may require changes to the Project Monitoring Plan and/or Reclamation Plan if needed to ensure that facilities can be operated and/or closed in a manner that prevents exceedances of water quality standards.

Authorized Officer. The Authorized Officer for ADNR is the Director of the Division of Mining, Land and Water or his designee. The Authorized Officer is designated as Rick Fredericksen. The Authorized Officer may be contacted at 550 West 7th Avenue, Suite 900D, Anchorage, Alaska 99501-2577, Attention: Rick Fredericksen, telephone (907) 269-8621, and fax (907) 269-8930 or at *rick_fredericksen@dnr.state.ak.us* Alaska Gold Company will be notified of changes to the Authorized Officer as needed.

Alaska Historic Preservation Act. If burials or human remains are discovered as a result of or during the activities authorized by this Reclamation Plan Approval, all activities which would disturb such remains shall be stopped and measures taken to protect the site. The State Historic Preservation Officer (907-269-8722) and the State Troopers shall be contacted immediately so that compliance with state laws may begin.

Reporting. The results of monitoring, required by all State and federal authorizations (unless otherwise indicated by the Authorized Officer), obtained during a reporting period shall be summarized and submitted to the Authorized Officer quarterly, no later than 60 days after the last day of the quarter, in hard copy and electronic format acceptable to ADNR. An annual report will be due at least one week prior to an annual meeting with the Department to be held by April 1st that shall summarize activities (surface disturbance, reclamation, mining, and milling) conducted during the previous calendar year and include fourth quarter monitoring data. The annual report should include surface acreage disturbed, quantities of topsoil salvaged and stockpiled, tons (and CY) of ore and development rock mined at the Rock Creek Mine Site, tons of ore and tons (and CY) of both potentially acid generating (PAG) and non-potentially acid generating (NON-PAG) development rock mined at the Big Hurrah Mine Site the previous year and planned for the next year, and the available pit volume below the anticipated pit lake elevation at the end of the previous year and expected at the end of the next year. The annual report shall also address the adequacy of the financial responsibility, including, but not limited to, inflation, significant changes in reclamation activity costs, concurrent reclamation, expansion or other changes to the operation of the facility. Electronic and hard copies should also be sent to ADNR (Steve McGroarty at *stevem@dnr.state.ak.us*, Jim Vohden at *jimv@dnr.state.ak.us*, and Mac McLean at *mac_mclean@dnr.state.ak.us*), and ADEC (Luke Boles at *luke_boles@dec.state.ak.us*). Amendments to this distribution list will be provided to Alaska Gold Company as needed.

As-Built Maps. Alaska Gold Company shall submit to ADNR an “as built” map in conjunction with each annual report (unless otherwise approved by ADNR). The map (or maps) shall illustrate the current development of all facilities within the project area as described in the Rock Creek Mine Plan of Operations Volume 4 (Reclamation Plan – May 2006). The plan maps shall show: cleared and grubbed areas; topsoil or growth medium stockpiles; roads; PAG and NON-PAG waste rock dumps; material sites; tailings facility; facility construction; and any unreclaimed exploration disturbance. Maps shall be 1”=200’ (1:2400) or other appropriate scale necessary to review the development of individual facilities.

Temporary Closure. Alaska Gold Company shall notify the Authorized Officer in writing at least thirty (30) days prior to any planned Temporary Closure of ninety (90) days or longer. Permittee shall notify the Authorized Officer of any unanticipated Temporary Closure expected to last ninety (90) days or more within ten (10) days of the first day of the Temporary Closure. The notice shall state the nature and reason for the Temporary Closure, the anticipated duration of the Temporary Closure, what actions will be taken to maintain compliance with project permits and plan approvals, and any event

which would reasonably be anticipated to result in the resumption of mining or the permanent cessation of mining. Mining operations must resume for not less than ninety (90) consecutive days in order to terminate the running of the Temporary Closure. If a Temporary Closure extends beyond three (3) years, the Department may deem mining operations to be permanently abandoned or ceased, whereupon final reclamation must commence unless otherwise agreed by the Department.

Alaska Gold Company shall ensure that the project area and facilities are maintained in a safe condition during a Temporary Closure and Alaska Gold Company shall not allow the project area or facilities to be degraded / eroded or facilities to fall into a state of disrepair during or as a result of the Temporary Closure. Action shall be taken to prevent or mitigate any impacts to ground or surface waters from project facilities. All collection, treatment, maintenance, and monitoring activities required under project permits or plan approvals shall be performed under any Temporary Closure. Alaska Gold Company shall manage and monitor the PAG development rock stockpile at Big Hurrah to ensure that seepage, leachate or runoff do not cause down-gradient groundwater or surface water quality exceedances.

Abandonment or Cessation of Operations. Not later than thirty (30) days after the permanent cessation or abandonment of mining operations at either the Rock Creek or Big Hurrah Mine Sites, Alaska Gold Company shall notify the Authorized Officer of the cessation of mining operations and provide a schedule for the final reclamation of the site.

Permanent Closure. For purposes of determining monitoring requirements and bond release, closure of a facility is achieved when the applicable surface and ground water quality standards have been met (including natural conditions as allowed in 18 AAC 70), and the site has been reclaimed in accordance with the Reclamation Plan Approval.

Environmental Audit. Periodic third-party environmental audits shall be conducted for the purpose of evaluating Alaska Gold Company's performance under its permits and plan approvals, to determine compliance with applicable environmental laws and regulations, to assist in the development of final facility closure plans, and to update, renew or issue permits and plan approvals. The environmental audit shall include an evaluation of the adequacy of the reclamation financial sureties. The environmental audit shall also evaluate the adequacy of agency oversight to protect environmental resources.

An environmental audit shall occur during the snow-free season in 2010; or prior to final closure (of either the Rock Creek Site or the Big Hurrah Site) if this occurs prior to 2010. Subsequent audits shall occur every five years and prior to final closure, unless otherwise approved by ADNR and Alaska Department of Environmental Conservation (ADEC). The audits will include all aspects of the project, including the access roads, material sites, development rock dumps, mine pits, tailings facility and predicted pit lakes – including, but not limited to, the geochemical and water quality

monitoring and modeling associated with each of these facilities. The third-party contractor and the scope of the environmental audit should be mutually agreed on by ADNR, ADEC and Alaska Gold Company, but in the event that agreement cannot be reached, ADNR and ADEC retain the final decision authority regarding the selection of the contractor and the scope of the audit. Costs for the third-party environmental audit shall be borne by Alaska Gold Company.

PROJECT DOCUMENT - SPECIFIC STIPULATIONS

Rock Creek Mine Plan of Operations Volume 4 (Reclamation Plan – May 2006)

Rock Creek Site:

Development Rock Stockpiles – Rock Creek Mine Site:

- Prior to the placement of development rock in the development rock stockpiles, the organic soils shall be salvaged, where practicable, from beneath the entire footprint of the development rock stockpiles and retained for use, as needed, in mine reclamation activities.
- The permittee shall place development rock in a manner to ensure adequate blending to prevent acid production at the Rock Creek Mine/Mill Complex, including both the development rock stockpiles and the tailings storage facility embankment.
- Stockpiled development rock and/or development rock from the tailings storage facility embankment shall not be removed from the project site, unless the material is tested to ensure that it will not produce acid rock drainage and/or metal leaching, that the material removal will not create geochemical or geotechnical instability of the surrounding material, and said removal is specifically approved by ADNR.
- Prior to initiation of reclamation of the development rock dumps, Alaska Gold Company shall submit to ADNR final facility closure plans and schedule, for review and approval. The final facility closure plans shall include consideration of water quality monitoring data, waste rock characterization records, development rock geochemical monitoring results and the results of the required environmental audit. Exceedances of water quality from the development rock dumps are not expected. However, if seepage or runoff from the development rock dumps exceeds water quality standards, ADNR may require the reclamation of these facilities to minimize infiltration and/or impacts from runoff and may require covers to include a low-permeability layer, growth medium replacement, seed / fertilizer application and also surface flow diversion ditches.

- If the development rock monitoring results require the drafting of a corrective action plan per ADEC Permit 2003-DB0051, said plan shall be submitted to ADNR for review and approval.

Pit Dewatering Wells:

- Pit dewatering wells shall be closed per ADEC requirements within 12 months of the permanent closure of the Rock Creek Mine, unless otherwise authorized by ADNR.

Paste Tailings Facility:

- Prior to initiation of reclamation of the tailings facility, Alaska Gold Company shall submit to ADNR final facility closure plans and schedule, for review and approval, that are developed to minimize surface run-on water, water infiltration into the tailings, and that demonstrate the geotechnical stability of the facility. The final facility closure plans shall include consideration of site water quality and tailings geochemical monitoring data and shall specify final slopes, cover design, growth medium replacement depths, and surface flow control and diversion ditches. The final facility closure plan should include an updated prediction of precipitation infiltration rates for the final cover design.
- If the tailings facility monitoring results require the drafting of a corrective action plan per ADEC Permit 2003-DB0051, said plan shall be submitted to ADNR for review and approval.

Mill Recycle Water Pond:

- Prior to initiation of reclamation of the mill recycle water pond, Alaska Gold Company shall submit to ADNR final facility closure plans and schedule, for review and approval that include characterization / disposal of the sludge or sediment, removal or burial of the pit liner, and any backfilling or recontouring of the pit.

Big Hurrah Site:

Mining at the Big Hurrah Mine is contingent upon future specific written approval from ADNR.

The request for approval to mine development rock at Big Hurrah shall include:

- Adequate geochemical characterization of the development rock to determine the PAG NP/AP¹ cutoff ratio that minimizes the risk of the blended NON-PAG development rock dump creating water quality exceedances and that allows for the maximum amount of PAG development rock to be backfilled into the pit at closure with adequate water cover to minimize potential acid production;
- The permittee shall receive ADNR approval prior to implementation of the geochemical characterization plan referenced above;
- The PAG NP/AP cutoff ratio shall not be less than 1:1. The ADNR will evaluate the results of the operational geochemical characterization and waste rock handling program and may require periodic changes to the PAG NP/AP cutoff ratio;
- An operational development rock characterization and handling plan that is approved by ADNR. The operational development rock characterization and handling plan shall ensure that development rock is adequately characterized and handled to:
 - Minimize the amount of NON-PAG rock reporting to the temporary PAG stockpile;
 - Minimize the amount PAG development rock that is placed in the blended NON-PAG development rock dump;
 - Ensure that the NON-PAG dump is sufficiently blended such that “hot spots” of acid generation do not occur within the facility;
 - Ensure that PAG development rock is temporarily stored, prior to disposal at mine closure, such that run-on water is minimized and runoff water does not reach waters of the State;
 - Maintain separate stockpiles for PAG and NON-PAG development rock or describe sampling and test procedures that would be used during the excavation of the PAG development rock during pit backfilling activities.
- An update to the predicted quantities of PAG development rock that will result from the mining of the Big Hurrah Pits, the available pit volume below the anticipated pit lake elevation at the end of the planned mine life, and an assessment of the geochemical characteristics of the residual blended dump (NON-PAG dump) once the PAG rock that will be backfilled into the pit is removed from the waste rock stream placed in the NON-PAG dump.

¹ The NP/AP cut-off ratio (Neutralization Potential to Acid Generating Potential) is the discriminator that will be used to distinguish between PAG development rock to be temporarily stockpiled and backfilled to the pit at closure and rock that will be disposed of in the NON-PAG development rock dump.

Waste Rock Handling:

- The permittee shall not place PAG development rock in the development rock stockpiles at Big Hurrah Mine or as backfill in the satellite pit (unless specifically authorized by the ADNR). During operations the permittee shall sample, characterize, segregate and store the PAG development rock in a location and manner approved by ADNR. At closure the PAG development rock shall be submerged below the water table in the pit at Big Hurrah, in manner to allow for adequate water cover to prevent acid generation from the PAG development rock, unless Alaska Gold Company is specifically authorized to blend PAG material with NON-PAG development rock. The backfilling and submergence of the PAG development rock shall be completed within 16 months of the completion of mining at the Big Hurrah Site, unless otherwise authorized by ADNR.
- Prior to the placement of development rock in the development rock stockpiles, the organic soils shall be salvaged, where practicable, from beneath the entire footprint of the development rock stockpiles and retained for use, as needed, in mine reclamation activities.

Development Rock Stockpile Closure:

- Prior to initiation of reclamation of the development rock dumps, Alaska Gold Company shall submit to ADNR final facility closure plans and schedule, for review and approval. The final facility closure plans shall include consideration of water quality monitoring data, waste rock characterization records, development rock geochemical monitoring results and the results of the required environmental audit. Exceedances of water quality from the NON-PAG development rock dump are not expected. However, if seepage or runoff from the NON-PAG development rock dump exceeds water quality standards, ADNR may require the reclamation of these facilities to minimize infiltration and/or impacts from runoff and may require covers to include a low-permeability layer, growth medium replacement, seed / fertilizer application and also surface flow diversion ditches. The final facility closure plan should also include backfill plans for the PAG rock stockpile.

Pit Dewatering Wells:

- Pit dewatering wells shall be closed per ADEC requirements within 12 months of the permanent closure of the Big Hurrah Mine, unless otherwise authorized by ADNR. AGC shall provide ADNR with groundwater elevation data for the pit dewatering wells, including any seasonal fluctuation, prior to initiation of dewatering activities.

Rock Creek Project Operational and Closure Monitoring Plan (May 2006)

Appendix C of the Rock Creek Mine Plan of Operations Volume 7 – Monitoring Plan entitled “Development Rock Sampling” requires updating and is not approved.

At least 60 days prior to the initiation of mining at the Big Hurrah Mine Site, Alaska Gold Company shall submit to ADNR for approval an update of the Monitoring Plan that incorporates:

- Monitoring requirements of ADEC Waste Management Permit 2003-DB0051, Rock Creek and Big Hurrah Mines.
- Monitoring requirements of ADNR Certificate to Operate the tailings dam.

STANDARD STIPULATIONS

Reclamation Stipulations.

- a. Topsoil and overburden (including frozen 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 development rock or surface construction activities.
- b. 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 and wildlife.
- c. All surface drill hole casings shall be removed or cut off at, or below, ground level.
- d. All surface 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.
- e. All surface 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.

- f. If artesian conditions are encountered in surface drill holes, the operator shall contact the Division of Mining, Land & Water (Steve McGroarty – (907) 451-2795) or the Department of Environmental Conservation (Luke Boles – (907) 451-2142) to advise the agencies of proposed hole plugging methodology and receive approval for the hole plugging plans.

Reclamation Recommendations

AGC has proposed and the ADNR has accepted an alternate post-mining land use that excludes complete reclamation of the development rock dumps at the Rock Creek and Big Hurrah sites located on private land. The ADNR has the following recommendations for these mine features once their post-mining land use has been concluded:

- a. The area to be reclaimed shall be recontoured or reshaped to blend with surrounding topography using approved development rock or overburden and then be stabilized to a condition that shall retain sufficient moisture to allow for natural revegetation.
- b. Stockpiled topsoil, overburden fines or muck and brush or other organic material shall be spread over the recontoured areas to promote natural plant growth.
- c. 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. Reclaimed exploration trenches shall 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.
- d. Upon completion of drilling activity, drill pads shall be reclaimed as necessary to encourage natural revegetation of the sites and protect them from erosion.

Fuel and Hazardous Substances. Secondary containment shall be provided for fuel or hazardous substances.

- a. **Container marking.** All independent fuel and hazardous substance containers shall be marked with the contents and the Permittee's name using paint or a permanent label.
- b. **Fuel or hazardous substance transfers.** Except for hand operated equipment, secondary containment or a surface liner must be placed under all container or vehicle fuel tank inlet and outlet points, hose connections, and hose ends during fuel or hazardous substance transfers, where feasible and prudent. Appropriate spill response equipment must be on hand during any transfer or handling of fuel

or hazardous substances to respond to a spill of up to five gallons. Transfer operations shall be attended by trained personnel at all times.

Vehicle refueling shall not occur below the ordinary high waterline of any waterbody. This restriction does not apply to water-borne vessels provided no more than 30 gallons of fuel are transferred at any given time.

- c. **Storing containers within 100 feet of waterbodies.** Containers with a total capacity larger than 55 gallons, which contain fuel or hazardous substances, shall not be stored within 100 feet of a waterbody.
- d. **Exceptions.** The Authorized Officer may under unique or special circumstances grant exceptions to this stipulation on a case-by-case basis. Requests for exceptions should be made to the Authorized Officer.
- e. **Definitions.**
 - 1) **"Containers"** means any item that is used to hold fuel or hazardous substances. This includes tanks, drums, double-walled tanks, portable testing facilities, fuel tanks on small equipment such as light plants and generators, flow test holding tanks, slop oil tanks, bladders, and bags. Manifolded tanks or any tanks in a series must be considered as a single container. Vehicles, including mobile seismic tanks, are not intended to be included under this definition.
 - 2) **"Hazardous substance"** is defined under AS 46.03.826(5) as (A) an element or compound which, when it enters into the atmosphere, or in or upon the water, or surface or subsurface land of the state, presents and imminent and substantial danger to the public health or welfare, including but not limited to fish, animals, vegetation, or any part of the natural habitat in which they are found; (B) oil; or (C) a substance defined as a hazardous substance under 42 U.S.C. 9601(14).
 - 3) **"Secondary containment"** means an impermeable diked area or portable impermeable containment structure capable of containing 110 percent of the volume of the largest container. Double-walled tanks do not qualify as secondary containment unless valves and piping are contained within the outer double wall.
 - 4) **"Surface liner"** means any safe, non-permeable container (e.g., drips pans, fold-a-tanks, etc.) designed to catch and hold fluids for the purpose of preventing spills. Surface liners should be of adequate size and volume based on worst-case spill risk.

- 5) **Notification.** The Permittee shall immediately notify DNR and DEC by phone of any unauthorized discharge of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons on land. All fires and explosions must also be reported to DNR. The DNR 24 hour incident notification number is (907) 451-2678; the Fax number is (907) 451-2751. The DEC spill report number is (800) 478-9300. DNR and DEC shall be supplied with all follow-up incident reports.
- 6) **Remediation.** Should any unlawful discharge, leakage, spillage, emission, or pollution of any type occur due to Permittee's, or its employees', agents', contractors', subcontractors', licensees', or invitees' act or omission, the Permittee, at its expense, shall be obligated to clean the area to the reasonable satisfaction of the State of Alaska.

Inspection and Entry. Alaska Gold Company shall permit authorized representatives of ADNR to enter into and upon the area and facilities covered under this plan approval at all reasonable times without notice for the purpose of inspecting the area and activities covered under this plan approval. Said inspections shall be subject to such safety and security procedures as Alaska Gold Company may from time to time adopt.

At any time upon ADNR's written request, Alaska Gold Company shall promptly make any and all records, documents, or other information required to be kept or maintained by law, regulation, ordinance, permit or this Reclamation Plan Approval available to ADNR for inspection and copying as reasonably required by ADNR to determine Alaska Gold Company in compliance with local, state and federal laws applicable to the operations authorized under this plan approval.

Violations. This authorization is revocable immediately upon violation of any of its terms, conditions, stipulations, nonpayment of fees, or upon failure to comply with any other applicable laws, statutes and regulations (federal and State).

Adverse Impact. Alaska Gold Company shall take all necessary means to minimize any adverse impacts to the receiving waters or lands resulting from noncompliance with any limitation specified in this plan approval, including any additional monitoring needed to determine the nature and impact of the noncomplying activity. Alaska Gold Company shall cleanup and restore all areas adversely impacted by the noncompliance.

Permittee Responsibility for Actions of Contractors. Alaska Gold Company is responsible for the actions of contractors, agents, or other persons who perform work to accomplish the approved project, and shall ensure that workers are familiar with the requirements of this authorization.

Assignment. This plan approval may be transferred or assigned with prior written approval from ADNR. ADNR will only disapprove a transfer with good cause and will evaluate whether the proposed assignee: (1) is qualified to acquire all other permits and authorizations necessary to conduct operations under the plan; (2) is on notice of default or subject to an enforcement action by any state agency on any lease, reclamation bond, or other permit within the state. Any assignee must commit in writing to be bound by this plan approval to the same extent as Alaska Gold Company, and must provide to ADNR all proofs of insurance, bonds, or undertakings required by this plan approval. Transfer of this plan approval may, at ADNR's discretion, require bond review and update.

Other Authorizations. The issuance of this authorization does not alleviate the necessity of Alaska Gold Company to obtain authorizations required by other agencies for this activity.

Valid Existing Rights. This authorization is subject to all valid existing rights in and to the land under this authorization. The State of Alaska makes no representations or warranties whatsoever, either expressed or implied, as to the existence, number, or nature of such valid existing rights.

Change of Address. Any change of address must be submitted in writing to the Authorized Officer.

Modifications. Any request for modification of the Rock Creek Mine Plan of Operations Volume 4 (Reclamation Plan – May 2006) and any other affected permits or authorizations must be made by written application to ADNR. Applications for renewal or amendment of this plan approval must be made no later than 30 days before the expiration date of the plan approval or the planned effective date of the amendment. Amendments to the Reclamation Plan may, at the discretion of ADNR, require bond review and update.

Statutes and Regulations. This plan approval is subject to all applicable state and federal statutes, including state, federal, and any local statutes and ordinances in effect on the effective date of this plan approval, new statutes, regulations, and ordinances enacted or promulgated after said effective date, and changes to existing statutes and regulations made after the effective date, to the extent constitutionally permissible.

Severability. If any clause or provision herein contained shall be adjudicated to be invalid, it shall not affect the validity or effect of any other clause or provision of this plan approval, nor constitute any cause of action in favor of either Alaska Gold Company or ADNR as against the other.

Save Harmless. The recipient of this plan approval (permittee) 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 Alaska Gold Company's performance under this Plan Approval. However, this provision has no effect, if, and only if, the sole proximate cause of the injury is the Department's negligence.

Commencement of permitted activities will be considered an acceptance by Alaska Gold Company of these stipulations.

Approved:  Aug. 9, 2006
Rick S. Fredericksen Date
Department of Natural Resources

Appeal Right and Procedure

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received by 5:00 PM August 29, 2006 and may be mailed or delivered to Michael Menge, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to (907) 269-8918, or sent by electronic mail to dnr_appeals@dnr.state.ak.us. 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 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.