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March 16, 2018

A.J. Wait Natural Resource Manager I Alaska Department of Natural Resources Division of Mining, Land & Water 3700 Airport Way Fairbanks, AK 99709-4699

RE: Request to Relocate a Portion of RST 644 and RST 1931

Dear Mr. Wait:

This letter and these appendices constitute a request by Fairbanks Gold Mining, Inc. (together with its affiliates "FGMI") to the Alaska Department of Natural Resources ("DNR") to relocate the portion of the Cleary Summit—Gilmore Dome Trail (RST 644) and the portion of the Gilmore Hill Road Trail (RST 1931) more specifically described in Appendix 1. The relocation is necessary to allow for the expansion of the Fort Knox Mine. The Proposed Relocated Trail will connect with other existing trails to the south.

The portions of RST 644 and RST 1931 that FGMI is proposing to relocate are R.S. 2477 routes and situated within Sections 7-8 and 17-20 of Township 2 North, Range 2 East, Fairbanks Meridian as shown in Appendix 1.¹ The portions of RST 644 and RST 1931 sought to be relocated are on ground managed by the State of Alaska and owned by either the State of Alaska or FGMI.

The Proposed Relocated Trail would be on ground owned and managed by the State of Alaska. The Proposed Relocated Trail originates at the intersection of RST 644 and the east side of the Fish Creek Road in the NE ¼ of Section 8, Township 2 North, Range 2 East, Fairbanks Meridian and proceeds west and south for 500 feet connecting with RST 650. The Proposed Relocated Trail then proceeds west co-located with the RST 650 trail for 3,250 feet and then turns south for approximately 560 feet where it splits into a northeast bound section and a south bound section. The northeast bound section runs approximately 340 feet and then terminates at the existing RST 650 trail that continues east. The south bound section heads due south for approximately 11,350 feet where it joins with public easement ADL 416290. The trail follows along ADL 416290 for 650ft heading south where it meets up with RST 1931. The Proposed Relocated Trail then co-locates RST 1931 and ADL 416290 heading south for approximately 1,350 feet until ADL 416290 splits from the Proposed Relocated Trail and RST 1931. The Proposed Relocated RST 1931 go northeast for approximately 1,650 feet until they join with ADL 416290 again and continue south for 700 feet where RST 1931 and the

¹ Appendix 1 also shows the location of the Powerline Trail. The Powerline Trail is not a RS 2477 route. Therefore, this letter does not request the relocation of the Powerline Trail. However, as part of DNR's approval of the expansion of the Fort Knox Mine, it is expected that DNR will close the Powerline Trail. Thus, the Proposed Relocated Trail will replace the Powerline Trail as well as portions of RST 644. Although the requirements AS 19.30.410(1) and 11 AAC 51.065 are not applicable to the replacement of the Powerline Trail, they would be fully satisfied. In fact, the Proposed Relocated Trail is not only reasonably comparable, equally usable, practical, and provides equal or better access to satisfy all present and reasonably foreseeable uses, considering length, type of terrain, and level of improvement, but is superior to the Powerline Trail. The Proposed Relocated Trail will eliminate difficult areas on the Powerline Trail (see Appendix 4, Figures 1 and 2).

KINROSS Fort Knox

Proposed Relocated Trail would terminate. The connection to Gilmore Dome is completed by a trail that goes east and then north for approximately 2,300 feet.

The location of the Proposed Relocated Trail is shown in Appendix 1. A Design Map for the Proposed Relocated Trail is shown in Appendix 2.

The proposed relocation is based on the following criteria:

- Trail grade at or below 10%.
- Large radii corners that are greater than 30 feet.
- No blind corners.
- Avoid wetland areas.
- Minimize stream impacts.

These design parameters were used with current and future uses of the Proposed Relocated Trail in mind.

FGMI is confident that this proposal satisfies the conditions for relocation of a R.S. 2477 trail under 11 AAC 51.065 and is in accordance with AS 19.30.410(1). Under 11 AAC 51.065(a)(1) FGMI as "an affected person" has the right to "petition the department to vacate, modify, or relocate" an R.S. 2477 right-of-way "in accordance with AS 19.30.410".

Under AS 19.30.410(1) and 11 AAC 51.065 the agency requires that:

• "a reasonably comparable, established alternative right-of-way or means of access exists that is sufficient to satisfy all present and reasonably foreseeable uses".

FGMI is confident the Proposed Relocated Trail is not only reasonably comparable, equally usable, practical, and provides equal or better access to satisfy all present and reasonably foreseeable uses, considering length, type of terrain, and level of improvement, but in fact is superior to the existing R.S. 2477 trails due to the following:

- The length of the Proposed Relocated Trail is comparable to the original, being approximately 1,000 feet longer (15,125 feet v. 14,090 feet).
- The width of the Proposed Relocated Trail is 12 feet and the original trail is 8 feet, which will provide better access for multiple uses.
- The average grade of the Proposed Relocated Trail is 7.8%, which will continue to support current and future uses. In Appendix 3 the profiles of the original trail and Proposed Relocated Trail are presented.
- The Proposed Relocated Trail is designed in such a manner as to be suitable for winter use and as an all-season trail.
- The original trail is described in the RST file as a "light duty and unimproved road." The Proposed Relocated Trail will be constructed with a durable surface and will be comparable or better than the original trail with regards to durability and functionality.
- Current and reasonably foreseeable future uses include a wide variety of recreational traffic, including snowmachines, ATV's, dog mushers, skiers, runners, hikers, and bikers. The Proposed

Relocated Trail is designed to accommodate all of these activities and to facilitate them through design considerations such as grade, turn radius and trail width.

In addition, the Proposed Relocated Trail will have improvements over the original trail including:

- The revised intersection with Fish Creek Road will be safer than the current one, which presently meets an obtuse sharp corner of Fish Creek Road.
- Allowing users safe continuous access to RST 644 and RST 1931 while FGMI conducts mining activities.
- The proposed relocated trail includes pull-outs to accommodate traffic along the trail and multiple uses.
- Enhancing connectivity and access providing users with a route connecting the extensive northern and southern recreational trail system.

As part of the relocation of the trail, FGMI is committed to:

- Providing support to create a new "trail fund" for trail maintenance and upkeep.
- Installing a monument to honor our local military history along the proposed relocated trail.
- Installing information boards with historical information for the community along the proposed relocated trail.
- Building a resting and warming "Miner's Cabin", if authorized and if sufficient community support exists, along the proposed relocated trail to honor the mining history of the area.

FGMI hereby agrees to: 1) reimburse DNR for the cost of notice; 2) arrange for all necessary development and improvement; and 3) arrange for the surveying and recordation of the necessary documentation.

We believe that the proposed relocation, which will allow for the expansion of the Fort Knox Mine, is in the best interest of the State of Alaska and present and future trail users.

If you have any questions or require additional information, please don't hesitate to contact me.

Sincerely,

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Bartly Kleven Environmental Manager

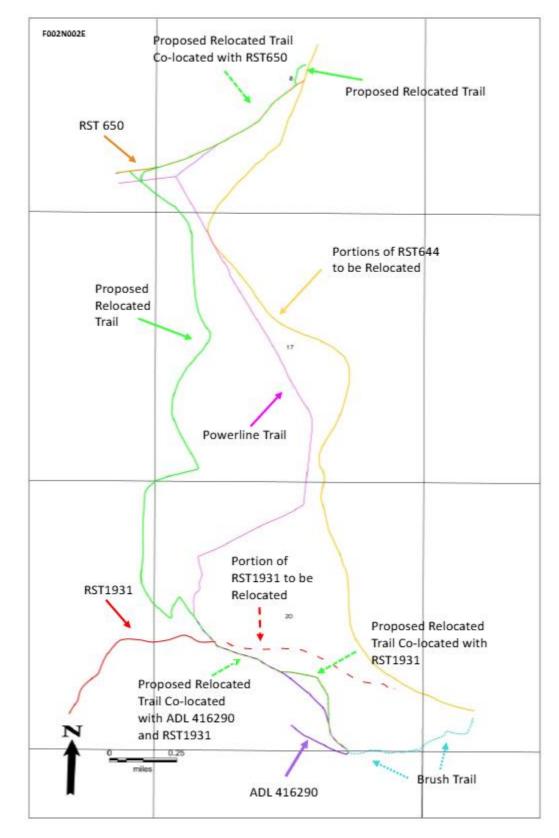
Cc: Bruce Sackinger (DNR DMLW) Kyle Moselle (DNR OPMP) Eric Hill (VP GM FGMI)

Appendices

Appendix 1: Property Map Appendix 2: Trail Design Map Appendix 3: Trail Profiles Appendix 4: Stream Crossing Design Appendix 5: Pictures of Powerline Trail

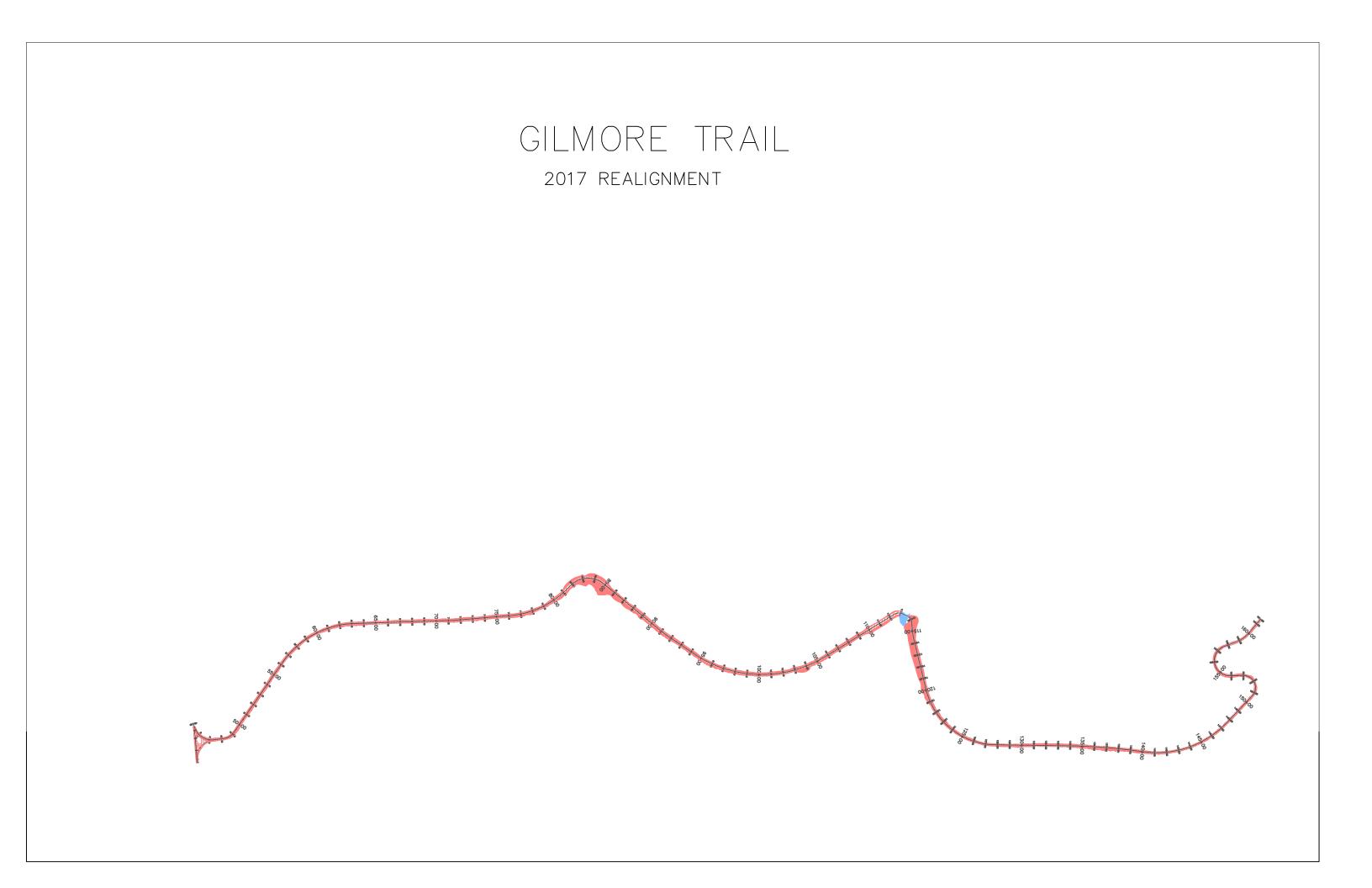


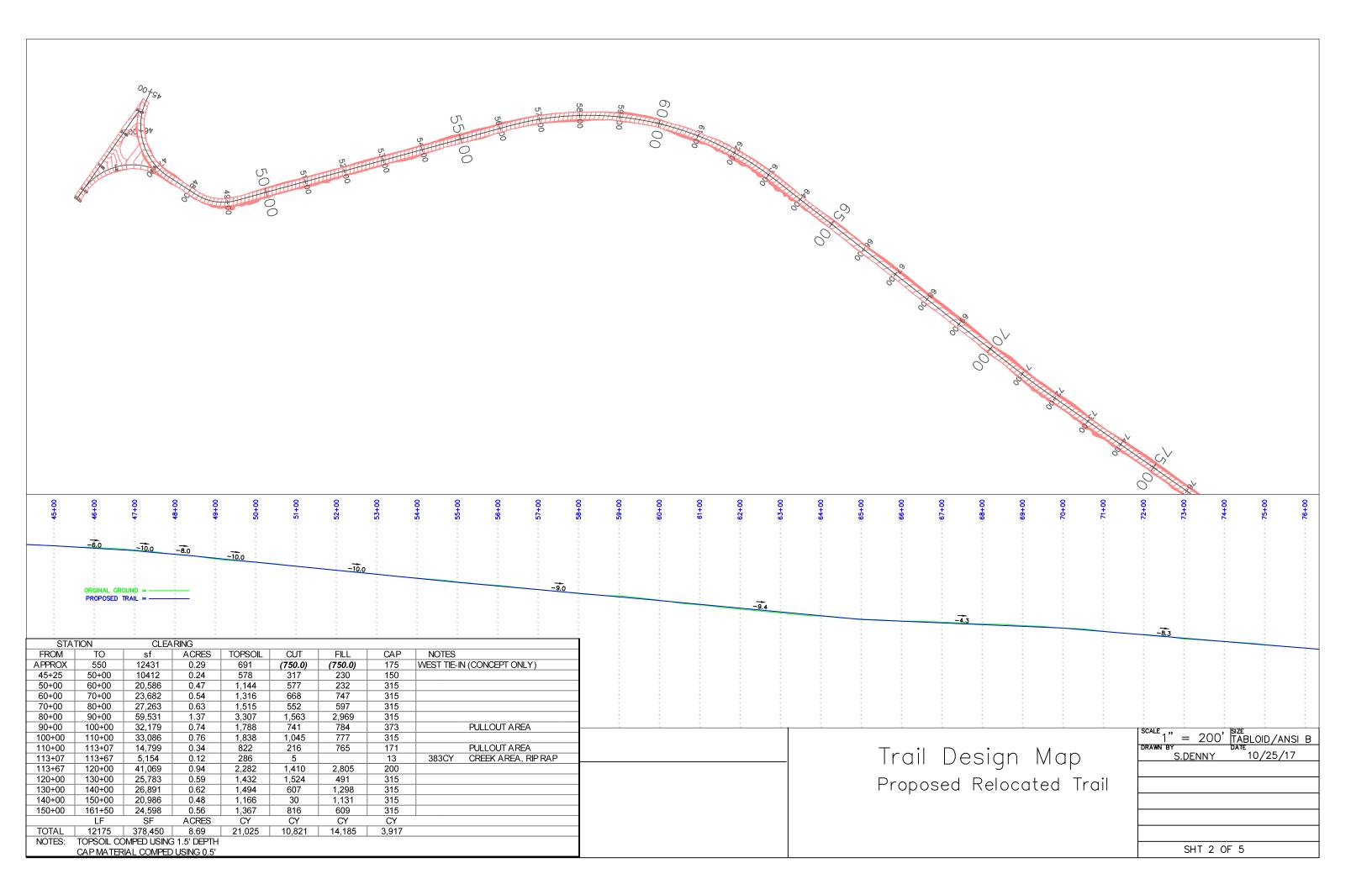
Appendix 1: Property Map

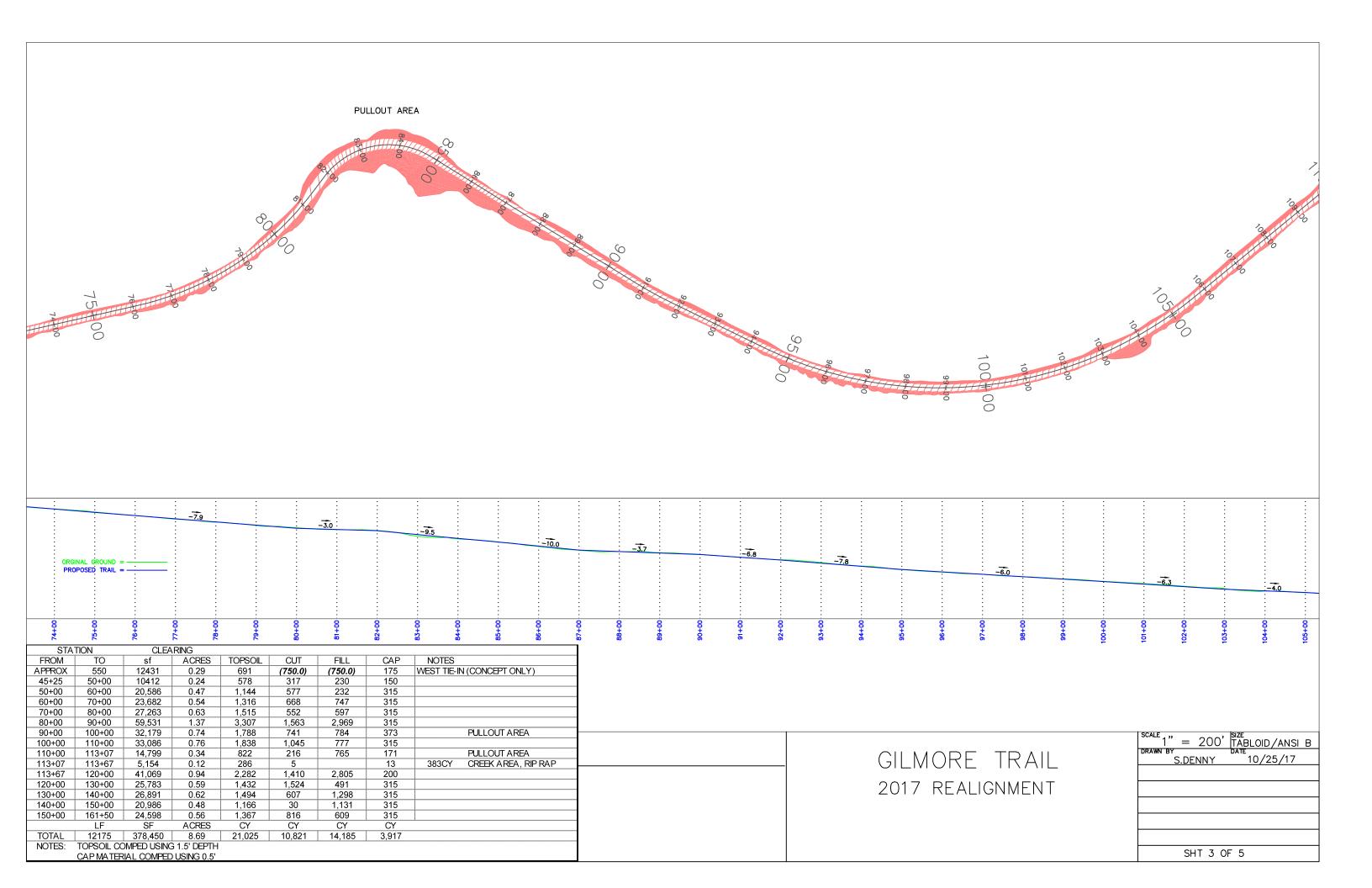


Map Showing Portions of RST 644 to be Relocated and the Proposed Relocated Trail

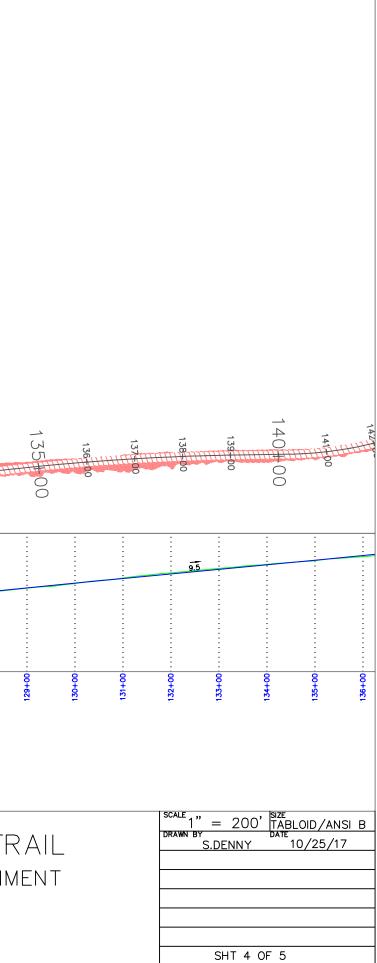
Appendix 2: Trail Design Map



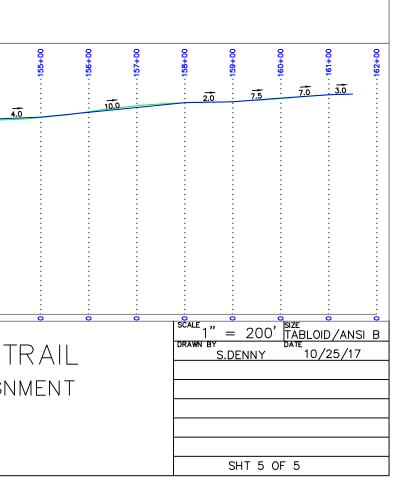


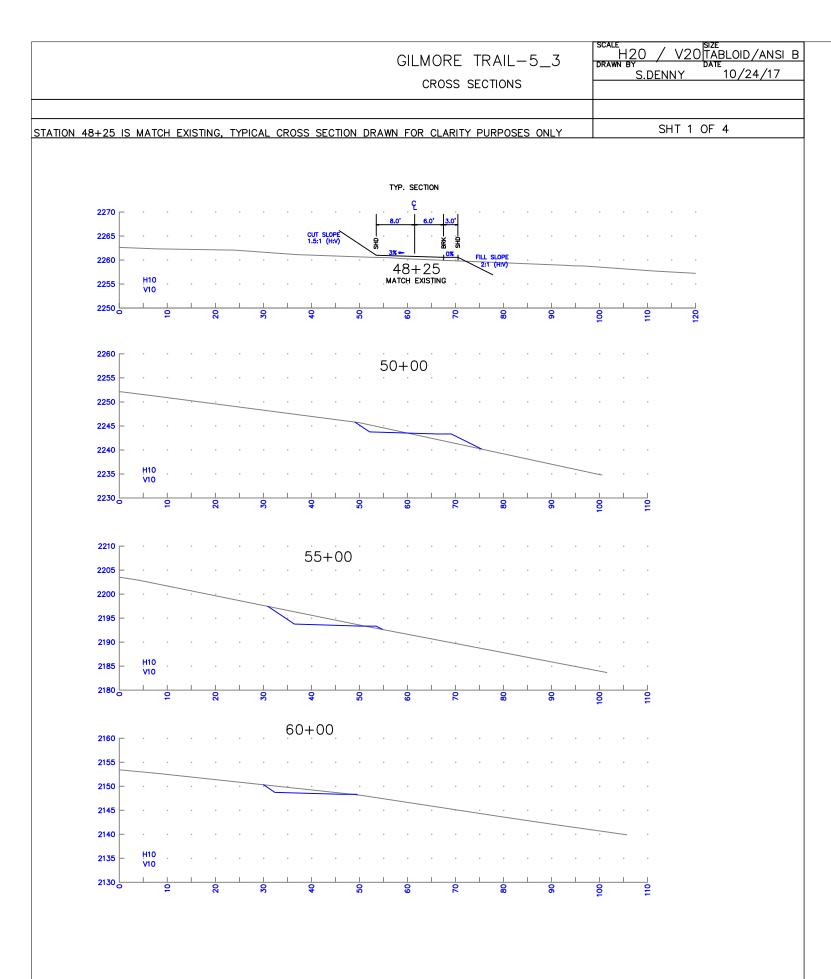


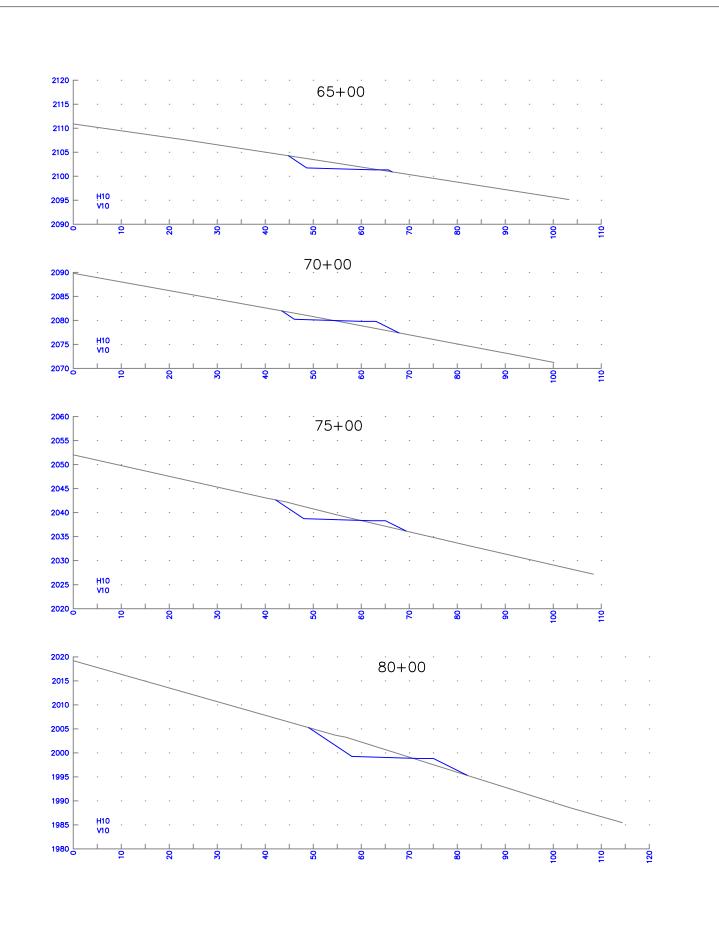
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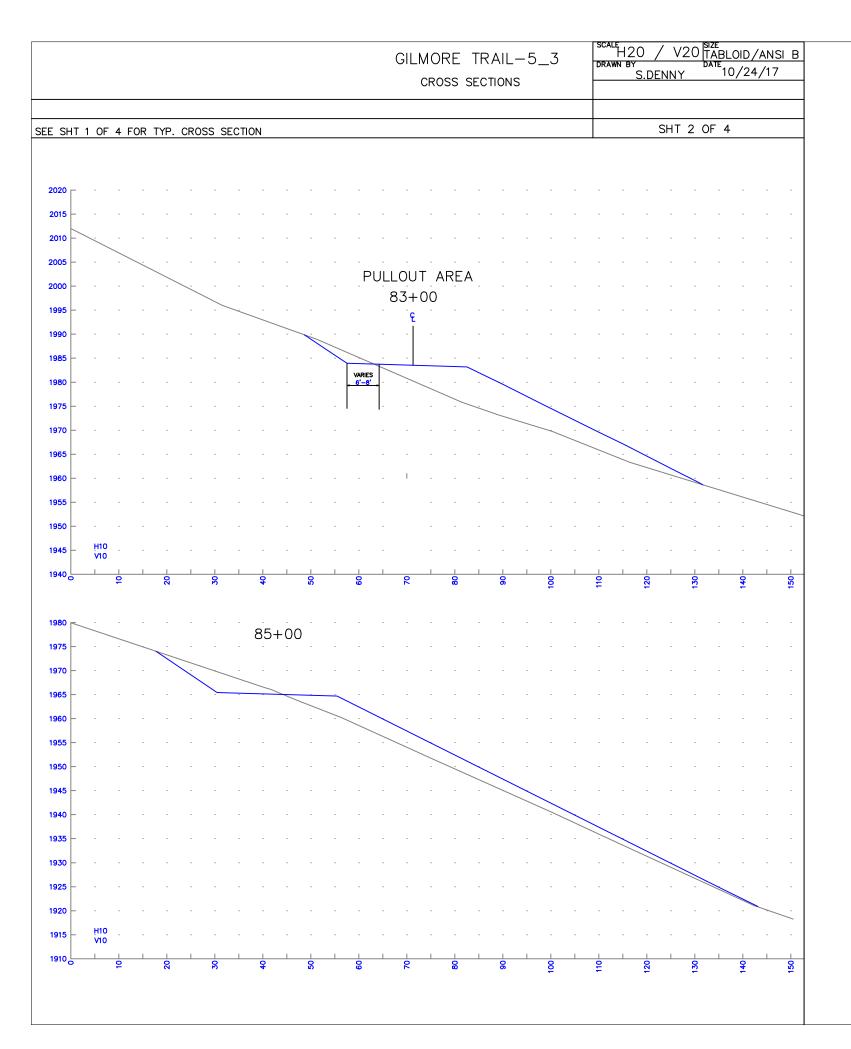


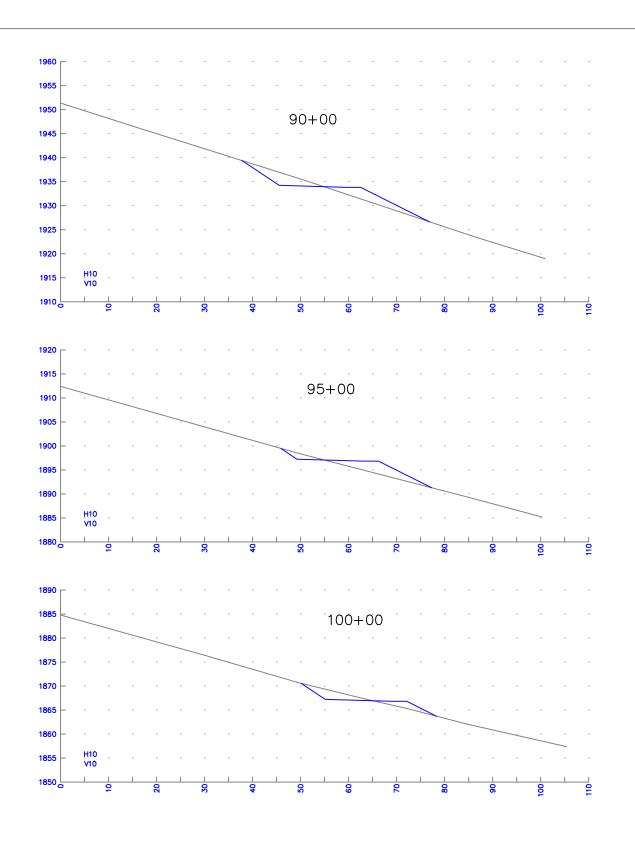
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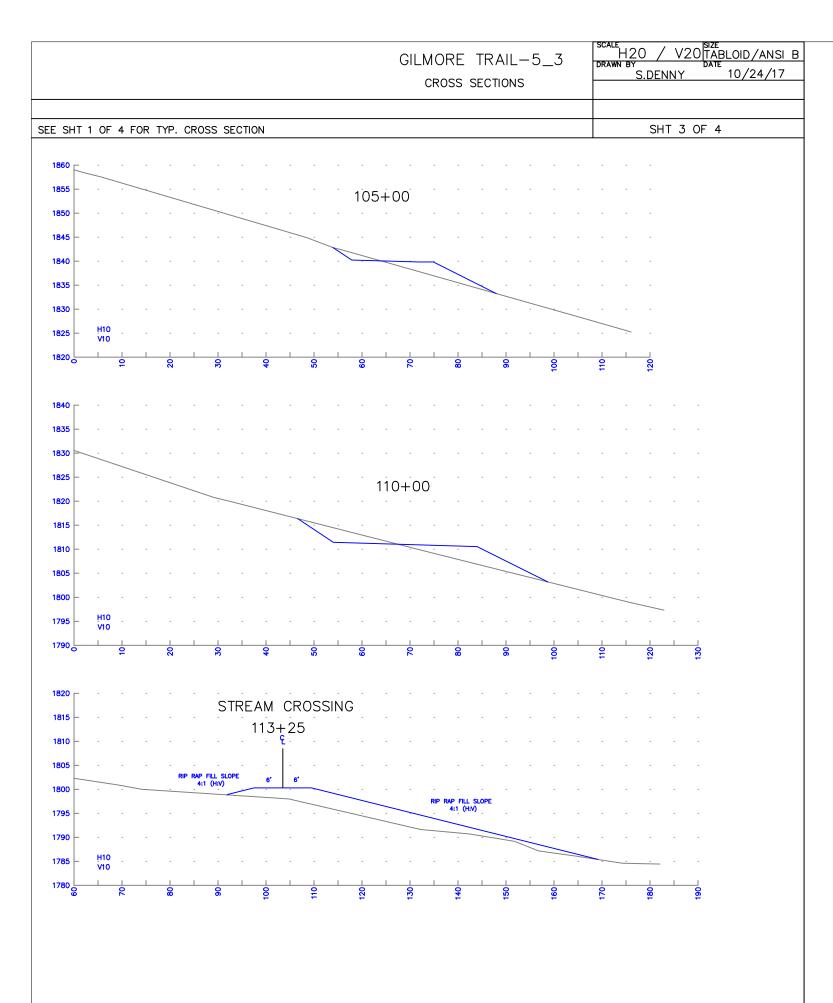


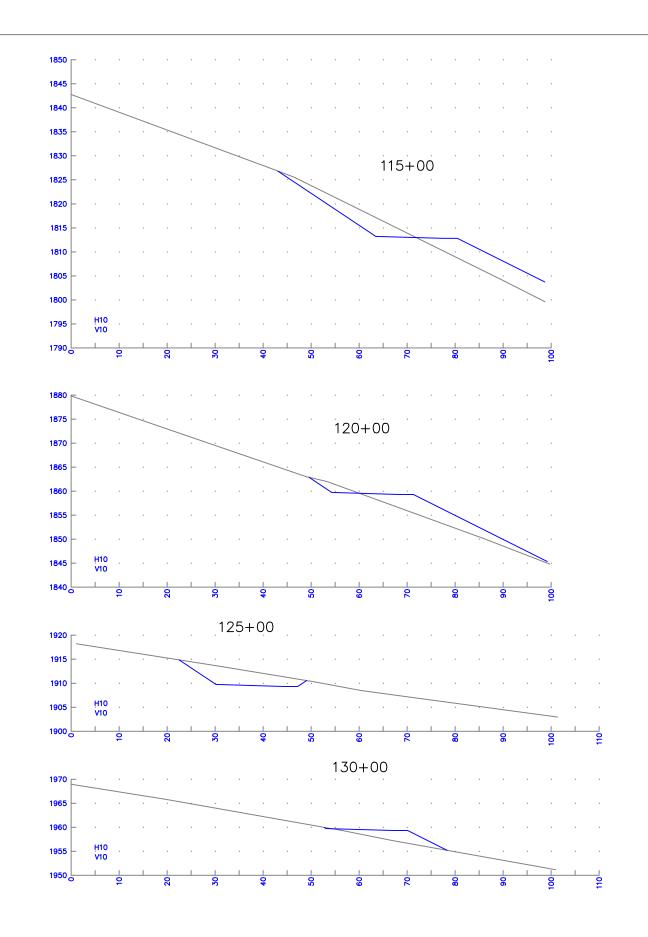


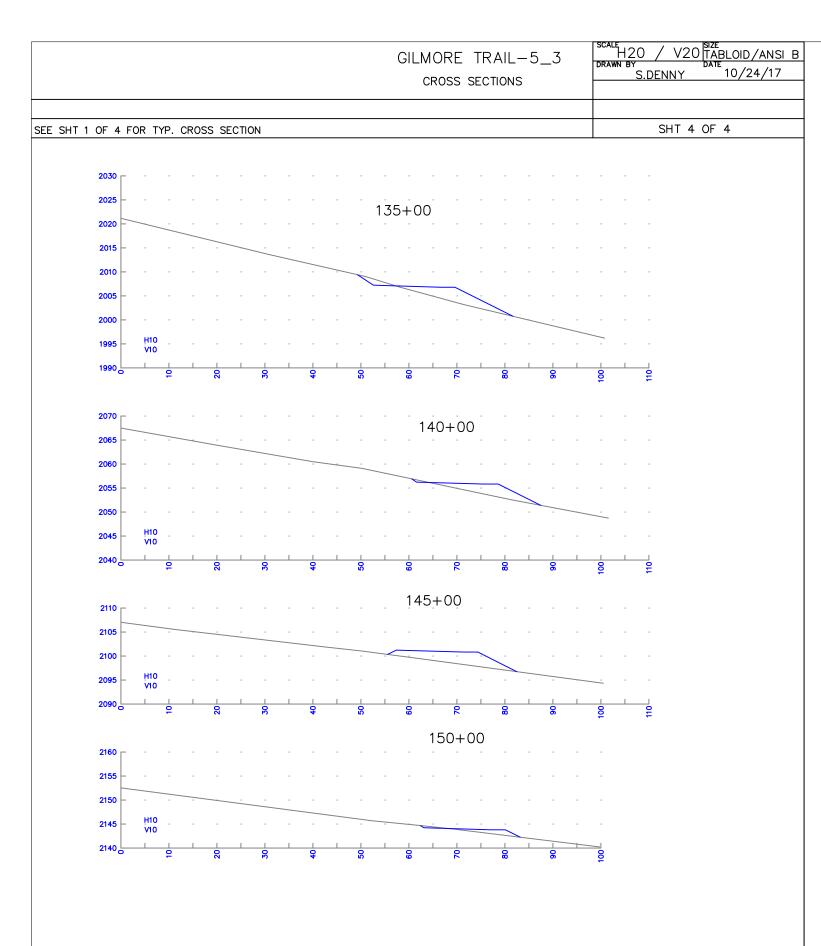


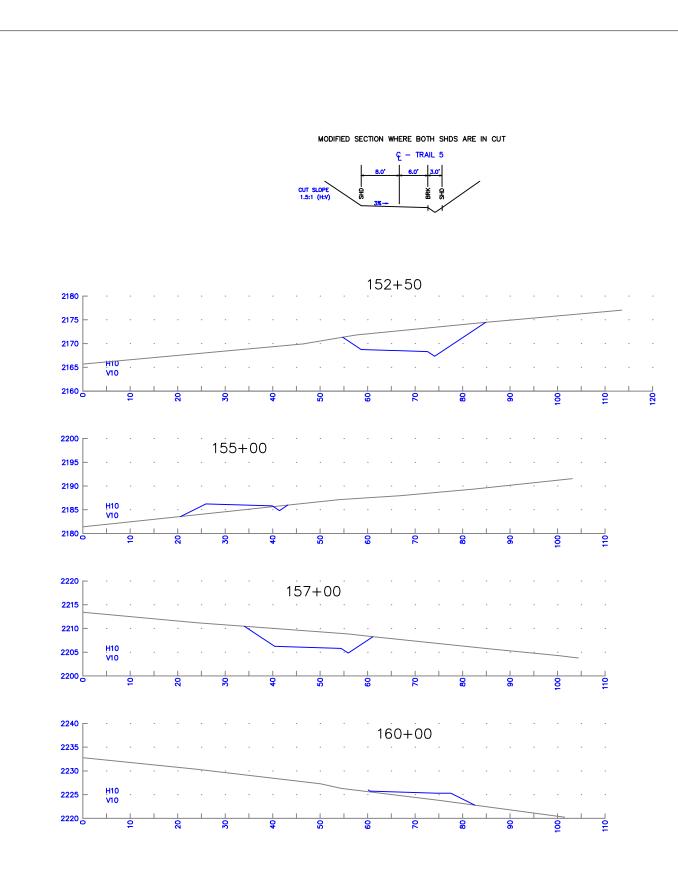






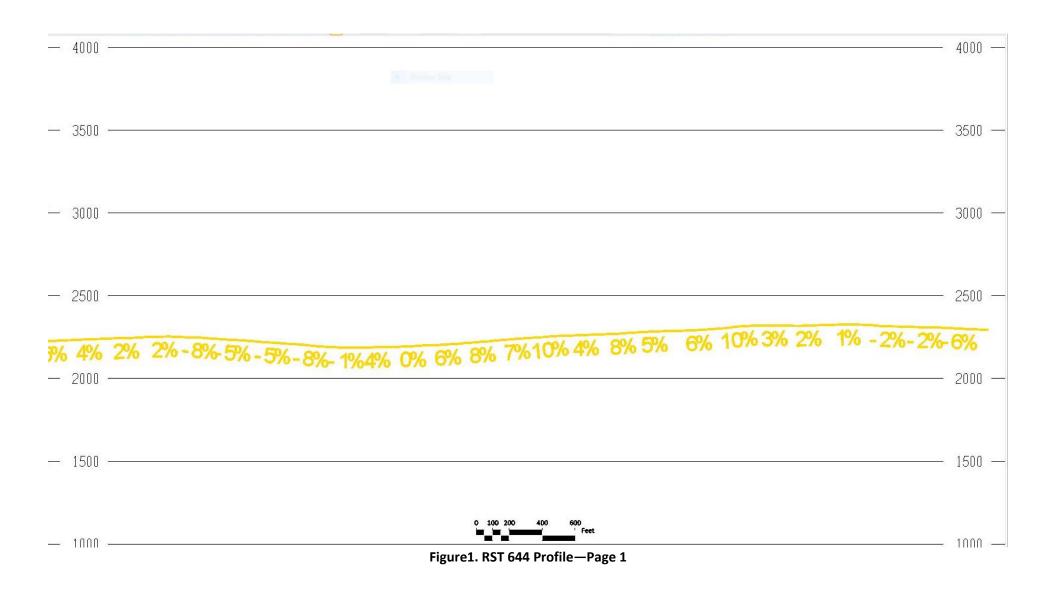


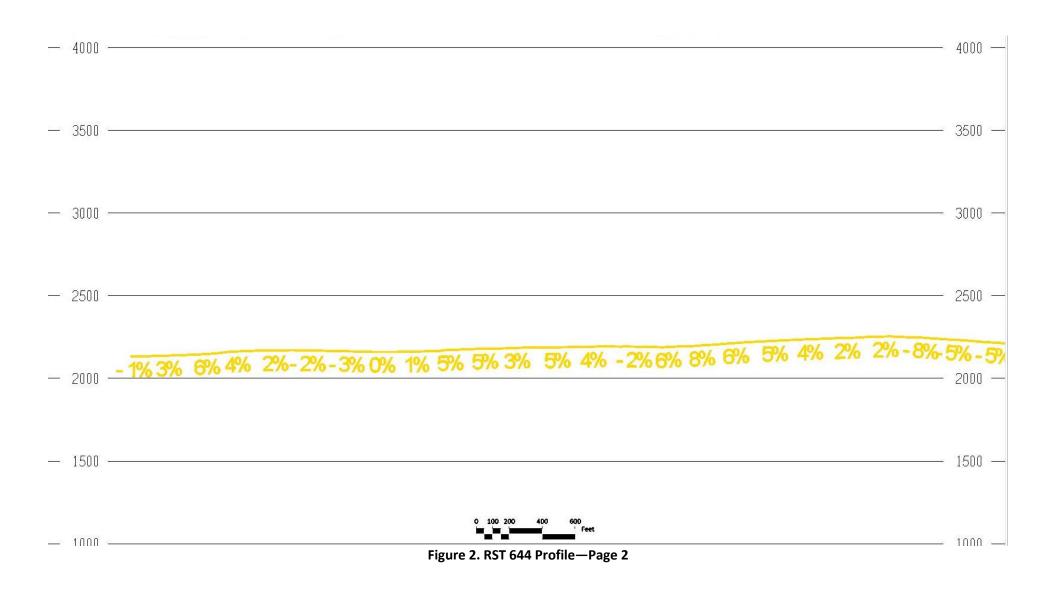






Appendix 3: Trail Profiles





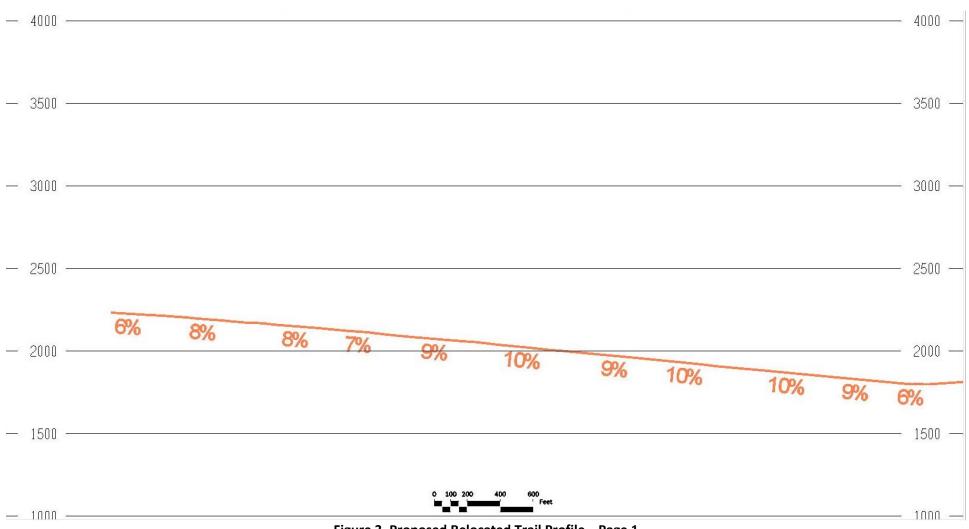


Figure 3. Proposed Relocated Trail Profile—Page 1

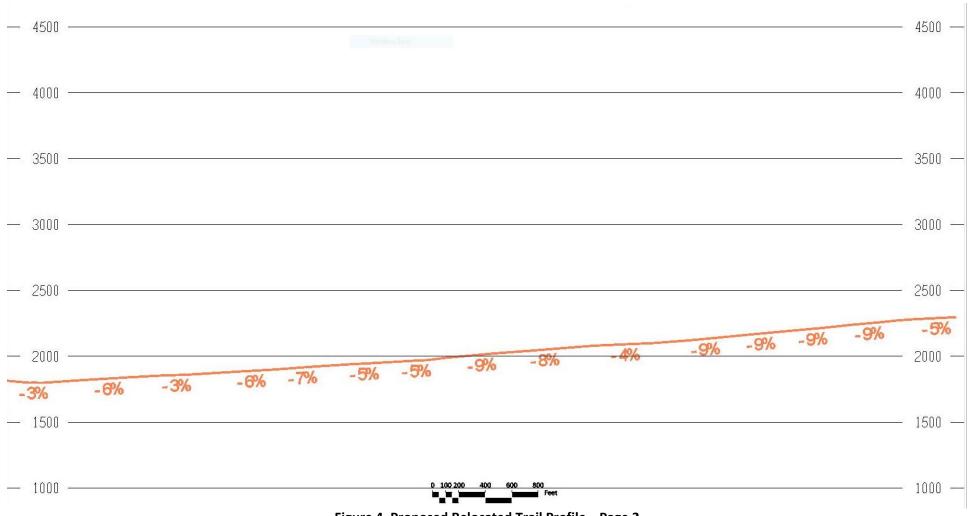
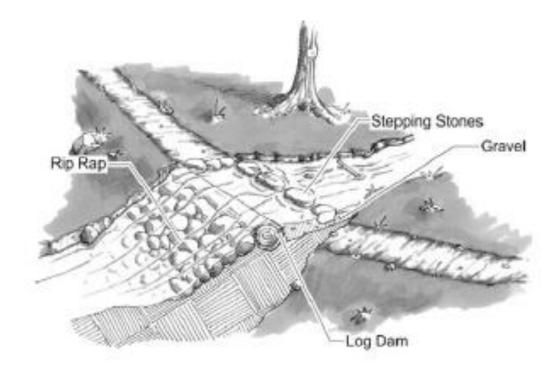


Figure 4. Proposed Relocated Trail Profile—Page 2

Appendix 4: Stream Crossing Conceptual Design



Stream Crossing Conceptual Design for Intermittent Low Flow Stream in the Valley

Appendix 5: Pictures of the Powerline Trail

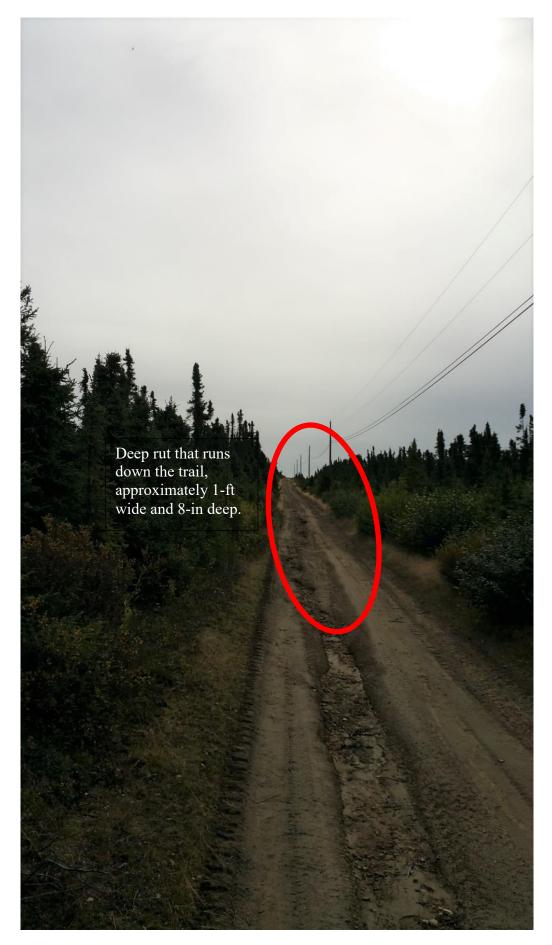


Figure 1. Powerline Trail (note the ruts and washboarding)



Figure 2. Powerline Trail (note the 14% grade in the background)