

**FINAL FINDINGS OF FACT
AND
DECISION**

May 23, 2025

Flatlands Energy Corporation
Flatlands Coal (Canyon Creek Area) Exploration Project

Exploration Permit Application
E-1601-2

Final Findings of Fact and Decision
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With regard to an exploration application submitted by Flatlands Energy Corporation, c/o Skwentna Roadhouse, PO Box 110 Willow, AK 99688 (business license address 743 Railway Avenue Suite 693, Canmore, AB T1W1P2, Canada), the Division of Mining, Land and Water – Mining Section (DMLW-Mining) has reviewed the request, all written comments, and other relevant information received regarding the application and makes the following Findings of Fact and Decision in accordance with 11 AAC 90.907(h) and under the authority of AS 27.21.030 and AS 27.21.100.

1. An application to request Coal Exploration Permit was filed with the DMLW on February 13, 2025. The request for exploration was submitted in accordance with AS 27.21.200 and 11 AAC 90.161 and 11 AAC 90 163.
2. This exploration request is for a two-year term and includes an exploration area approximately 20 miles west southwest from the Skwentna airport, Alaska within Sections 19, 30, 31, Township 20N, Range 13W, and Sections 24, 25, 36, Township 20N, Range 14W, Section 6, Township 19N, Range 13W, and Section 1, Township 19N, Range R14W, all within the Seward Meridian. Approximately 5,120 acres of land located on Coal Lease ADL 553937 are within the exploration area. The State of Alaska is the owner of the surface and mineral estate within the proposed exploration area.
3. Upon receipt of the complete application public notice was provided to the public in accordance with 11 AAC 90.907 (b) and public comments were received. During the Preliminary Findings Phase, the Exploration Permit Application was found to be completed on April 25, 2025. Public notice of the Preliminary Findings of Fact and the Exploration Application began on March 25, 2025 and ending on April 24, 2025. The notice was mailed directly to DMLW's mailing list of affected persons and agencies and was posted to the Department of Natural Resources public notice website (<https://aws.state.ak.us/OnlinePublicNotices/>).
4. During the comment period five individuals (including Agency and Public Interest groups) submitted comments in response to the public notice. Responses to comments concerning the proposed exploration program are located in an attached document titled "Appendix A: Department of Natural Resources (DNR) Responses to Public Comments Concerning the Flatlands Coal (Canyon Creek Area) Exploration Permit Application".
5. The activities proposed in the permit application meet the requirements of AS 27.21.200 and 11 AAC 90.163 through 11 AAC 90.167, subject to the stipulations of the permit, which ensure that the exploration and reclamation will comply with these requirements.
6. The decision approves drilling up to twelve new exploration drill holes. All drill sites will be reclaimed and all drillholes not retained as monitoring wells will be sealed immediately upon completion of work at the site. In addition to the drillholes, the project is also to replace the current meteorological station with a different station and a larger

tower. The new station location must be approved by DEC. All work will be helicopter supported, no roads or camps will be established in the exploration area. All equipment used on site will be removed upon completion of the exploration program.

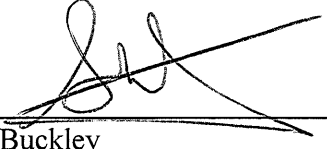
7. The approved permit area is not within an area designated unsuitable for mining under AS 27.21.260.
8. The proposed coal exploration activities will not affect threatened or endangered species or their critical habitat.
9. Pursuant to 11 AAC 90.167(b) the DMLW has determined that the reclamation bond in the amount of \$61,318.00 is sufficient to cover the associated reclamation costs for reclamation of all active drill holes and closure of up to 25 monitoring wells. Of the total bond, \$42,582 is for transportation to the site and reclamation of the project area. The remaining \$18,736 covers indirect cost including allowances for contingencies and overhead for third part contractors who would be conducting the reclamation work. The portion of the reclamation bond for plugging and abandoning drill holes will be released upon inspection and documentation that they are capped and sealed and meet the requirements of the permit and 11 AAC 90. The remaining bond, for the reestablishment of the vegetative cover, will be held for a minimum of one year or until there is at least 90 percent ground cover consisting of grasses and native vegetation that has been established on disturbed areas.
10. The following stipulations will be included as part of the final permit:
 - a. Unless approved by DNR, drill holes must be sealed and the drill sites must be reclaimed and reseeded before disturbing a new drilling site.
 - b. All pads, trenches, and other ground disturbances will be limited to that necessary to complete exploration activities.
 - c. The operator will use sediment and drainage controls as required to prevent runoff from disturbed areas.
 - d. All pads, trenches, and other disturbed areas are to be reclaimed after exploration activities are completed.
 - e. Exploration activities that substantially disturb the environment and vegetation clearing shall not occur within one hundred feet (100') of any anadromous water body.
 - f. In order to encourage native vegetation, Flatlands Energy will minimize the use of nonnative seeding and fertilizer on reclaimed topsoil and drill pads. All seeds will be certified weed free.
 - g. If cultural or paleontological resources are inadvertently discovered as a result of, or during, the activities authorized by this plan approval, all activities which would disturb such resources shall be stopped and measures taken to protect the site. The State Historic Preservation Officer (907-269-8722) shall be contacted immediately so that compliance with state laws may begin. If burials or human remains are found, in addition to the State Historical Preservation Officer, the

State Troopers are to be notified immediately. The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any State-owned historic, prehistoric (paleontological) or archaeological site without a permit from the Commissioner.

11. In accordance with 11 AAC 90.907(h) a written Findings and Decision was completed. The Final Findings of Fact and Decision will be distributed simultaneously to the applicant, each person who filed a written comment, state and federal agencies, appropriate local government agencies and placed on the State of Alaska Public Notice Website.
12. Issuance of an exploration permit does not relieve the applicant from the obligation to obtain approvals and permits from other federal, state, or local regulatory authorities.

Copies of the Preliminary Findings of Fact and Decision, and the Final Findings of Fact and Decision are available for review at the Alaska Department of Natural Resources, Division of Mining, Land and Water, 550 W. 7th Ave., Suite 920, Anchorage, AK 99501-3577, or on our website (<https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=219694>)

The applicant, or a person with an interest, which is or may be adversely affected by this decision may request in writing a hearing under AS 27.21.150 to review the reasons for this decision. Any request for a hearing must be received within 30 calendar days after the date of publication of this decision or by June 23, 2025. The request for a hearing may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 West 7th Avenue, Suite 1400, Anchorage, AK 99501; or faxed to 907.269.8918; or sent by electronic mail to: dnr.appeals@alaska.gov.



Stephen N. Buckley
Mining Section Chief

Date 5/22/25