

# APPROVED PLAN OF OPERATIONS FOR EXPLORATION AND RECLAMATION **AUTHORIZATION # 2961**

The Alaska Department of Natural Resources, Division of Mining, Land, & Water Management, in accordance with and subject to the requirements and general stipulations of Alaska Statute 27.19 (Reclamation), Alaska Statute 38.05 (Alaska Land Act); and Alaska Administrative Code Title 11, Chapter 86.800 (Plan of Operations), Chapter 96 (Miscellaneous Land Use), and Chapter 97 (Mining Reclamation), approves the Plan of Operations for:

ROGER BURGGRAF 830 SHEEP CREEK RD FAIRBANKS, AK 99709 FELIX GOLD OPERATIONS INC. 3133 DAVIS ROAD FAIRBANKS, AK 99079

This permit is for the activities upon State managed lands described in the Hardrock Exploration Application #2961 on See Attached List. All activities are subject to the Terms of Permit attached hereto and incorporated in this permit, as well as subject to the terms and conditions set forth in the application, including any proposed Plan of Operations or other documentation made part of the application, which terms and conditions are also incorporated in this permit. Should any Terms of Permit and terms and conditions set forth in the application conflict, the Terms of Permit shall control.

This permit is valid through 12/31/2034, unless sooner revoked at will or for cause. In accordance with AS 27.19.050(c), you are required to file an Annual Reclamation Statement by December 31st each year this authorization 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 statement and photos may result in loss of exemption from reclamation bonding. This authorization supersedes and replaces any and all previously issued versions of Authorization # 2961.

Activities may only be conducted on mineral locations listed in this authorization.

Changes to the intended Plan of Operations described in the Application for Permits to Mine in Alaska # 2961 shall be submitted to this office in writing and approved in advance before such work can begin.

This decision takes effect immediately.

Approved: Dave Cherron, Authorized Officer

#### TERMS OF AUTHORIZATION

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. OPERATION OF VEHICLES OUTSIDE OF CLAIM BLOCK: This permit does not authorize any operation of vehicles outside of the claim block. Operation of vehicles outside of the claim block must be within the scope of generally allowed uses as described in 11 AAC 96.020-.025.
- Sec 3. GENERAL PROVISIONS: Operations under this authorization shall be conducted in conformance with applicable Federal, State, and local laws and regulations now, or hereafter, in effect during the life of the authorization.
- Sec 4. SURFACE USE. A locator does not have exclusive use of the surface of the location. A locator may not restrict public access to the surface without approved authorization. (11 AAC 86.145) Issuance of this authorization is not automatic authorization to restrict public access. In accordance with Alaska Statute02.20.050, no airstrip, public or private, may be blocked or rutted in such a way as to endanger aircraft.
- Sec 5. SURFACE STRUCTURES: The building, placing, or use of surface structures or other surface improvements, including airstrips and roads, within the boundaries of a mining property must be approved by the Director, in writing, through a plan of operations, land use permit, or other written authorization. (11 AAC 86.145) As indicated above, roads and airstrips cannot be blocked to restrict public access. Issuance of this authorization is not automatic authorization for surface structures to remain beyond the expiration of this authorization. Upon the expiration of this authorization, if surface structures remain, they must be immediately authorized through another operations approval and land use permit or other written authorization, even if no mining is occurring, otherwise the surface structures will be deemed to be in trespass.
- a. The request to place and utilize and/or use existing structures listed in the application, during the time frame of seasonal mining activity is approved, subject to the stipulations contained in Section 8 of this authorization. Use of structures is authorized only for activities directly associated with the mining operations described in the application. Mining camp facilities shall not be used to

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- conduct or support tourism related activities, hunting, fishing, or outfitting.
- b. Improvements, additions to, or enlargements of the existing structure are not authorized. Routine maintenance and upkeep is permitted. Routine maintenance is defined as normal and minor repairs which do not increase the size or scope of the existing structure.
- c. The building, placing, or use of surface structures or other surface improvements, including airstrips and roads, within the boundaries of a state mining property must be approved by the Director, in writing, through a plan of operations, land use permit, or other written authorization (11 AAC 86.145). Issuance of this authorization is not automatic authorization to construct nor to place surface structures.

# Sec 6. OTHER OPERATIONS:

- a. The Division reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land under this authorization. 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.
- b. Where this authorization grants the right to enter land owned, leased, or otherwise lawfully occupied by another, the permittee shall make provisions before entering the land to pay for all damages sustained by said owner, lessee, or lawful occupant by reason of entering upon said land. (AS 38.05.130).
- Sec 7. ALASKA HISTORIC PRESERVATION ACT: The Alaska Historic Preservation Act (AS41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any State-owned historic, prehistoric (paleontological) or archaeological site without a permit from the Commissioner. 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.
- Sec 8. DISPOSAL OF BUILDINGS, STRUCTURES, AND DEBRIS ON STATE LAND: A miner shall remove, dismantle, or otherwise properly dispose of buildings and structures constructed, used, or improved on state land, unless granted written authorization for the structures to remain. A miner shall remove or otherwise properly dispose of all equipment, scrap iron, tools, piping, hardware, chemicals, fuels, waste, and general mining debris on state lands in a manner approved by ADEC ((11 AAC 97.210) and 11 AAC 96.040(f)). All structures, equipment, and debris remaining unclaimed on state land 180 days after the claims are no longer valid, are subject to disposition by the state as provided in 11 AAC 97.630. The locator shall pay to the state all costs of moving, storing, and disposing of such structures, equipment, and debris. The state shall not be responsible for any damages to or loss of structures and equipment caused by the moving, storing, or disposal.
- Sec 9. INSPECTION AND ENTRY: Permittee shall permit the authorized representatives of the Division to enter into and upon the area and facilities covered under this plan approval at all reasonable times without notice.
- Sec 10. 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). 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, permittee, at its expense shall be obligated to clean the area to the reasonable satisfaction of the State of Alaska. A permittee who is charged & convicted of any violation of state hunting, trapping, and/or fishing license may be subject to revocation of this authorization.
- Sec 11. FUEL AND HAZARDOUS SUBSTANCES: Secondary containment shall be provided for fuel or hazardous substances in accordance with EPA Emergency Spill Response Regulations.
- 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. 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. 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.
- c. Storing containers within 100 feet of water bodies. Containers with a total capacity larger than 55 gallons which contain fuel or hazardous substances shall not be stored within 100 feet of a water body.
- 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.

Sec 12. NOTIFICATION OF DISCHARGE: The Permittee shall immediately notify the Department of Environmental Conservation (DEC) and Authorized Officer of any unauthorized discharge of any amount of oil to water, a discharge of any amount of a hazardous substances (other than oil), and any discharge of oil greater than 55 gallons on land. All fires and explosions must also be reported

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immediately.

If a discharge, including a cumulative discharge, of oil is greater than 10 gallons but less than 55 gallons, or a discharge of oil greater than 55 gallons is made to an impermeable secondary containment area, the Permittee shall report the discharge within 48 hours. Any discharge of oil greater than one gallon up to 10 gallons, including a cumulative discharge, solely to land, must be reported in writing on a monthly basis.

Notification of discharge must be made to DEC online at ReportSpills.alaska.gov or by phone at 1-800-478-9300.

Notification of discharge must be made to the appropriate DNR Office, preferably by e-mail: Anchorage email <a href="mailto:dnr.scro.spill@alaska.gov">dnr.scro.spill@alaska.gov</a>, (907) 269-8528; Fairbanks email <a href="mailto:dnr.nro.spill@alaska.gov">dnr.nro.spill@alaska.gov</a>, (907) 451-2739; Juneau email <a href="mailto:dnr.scro.spill@alaska.gov">dnr.scro.spill@alaska.gov</a>, (907) 465-3513. The Permittee shall supply the Authorized Officer with all incident reports submitted to DEC.

Sec 13. CHANGE OF ADDRESS: Any change of address must be submitted in writing to the Division at 3700 Airport Way, Fairbanks, AK 99709-4699.

Sec 14. OTHER PERMITS: Be advised that issuance of this authorization 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 15. SAVE HARMLESS: The recipient of this authorization (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 the permittee's performance under this authorization. However, this provision has no effect, if, and only if, the sole proximate cause of the injury is the Department's negligence.

Sec 16. DEFAULT: If permitee should fail to comply with the terms and stipulations contained in this authorization, the provisions of the Miscellaneous Land Use Regulations (11 AAC 96) and (AS 27.19), Reclamation Act, and after receiving written notice, fails to remedy such default within the time specified in the notice, the Director may cancel this authorization.

Sec. 16 EAGLE AVOIDANCE: Bald and Golden Eagles are Federally protected species regulated through the U.S. Fish & Wildlife Service (USFWS). Eagles are protected under the Bald and Golden Eagle Protection Act (Eagle Act), and the Migratory Bird Treaty Act. The Eagle Act prohibits the direct and indirect take of eagles, their parts, eggs and nests (even unoccupied/alternative nest). If an eagle nest is located within one-half mile of the mining footprint, an eagle or nest take permit might be recommended. The USFWS can provide general and project-specific recommendations that help to avoid and minimize unlawful eagle take. Please contact their office as soon as possible for assistance. They can be reached by calling the Northern Alaska Field Office in Fairbanks at (907) 456-0203 or the Southern Alaska Field Office in Anchorage at (907) 271-2888.

Sec 17. APPEAL: An eligible person affected by this decision may appeal to the DNR Commissioner per AS 44.37.011 and 11 AAC 02. Any appeal must be received within twenty (20) calendar days after issuance of this decision under 11 AAC 02.040. An eligible person must first appeal a decision to the Commissioner before seeking relief in superior court. The Alaska Court System establishes its own rules for timely appealing final administrative orders and decisions of the department. Appeals may be mailed or hand-delivered to the DNR Commissioner's Office, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska, 99501; or faxed to (907)-269-8918; or sent by electronic mail to <a href="mailto:dnr.appeals@alaska.gov">dnr.appeals@alaska.gov</a>. Appeals 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)-(b). A copy of 11 AAC 02 is available on the department's website at <a href="https://dnr.alaska.gov/mlw/pdf/DNR-11-AAC-02.pdf">https://dnr.alaska.gov/mlw/pdf/DNR-11-AAC-02.pdf</a>.

#### **Special Stipulations:**

Forest Debris: When using, creating, or maintaining trails, trees and large forest debris must be cleared or fallen in a way that does not obstruct trail use or create a hazard to the public.

**Trail Reclamation**: Any rutting of trails must be smoothed out prior to the end of each mining season or when the trail will no longer be used; whichever is sooner.

# **Drilling Waste and Cuttings Management:**

- 1. Drilling mud and cuttings shall not be discharged into lakes, kettle ponds, streams, rivers, or wetlands. Recirculation tanks or inground sumps to contain drilling mud, cuttings and discharged water from the drilling process must be used at any site utilizing water to aid in the drilling activity. Acceptable techniques include dug sumps, tanks and other settling or filtration devises designed specifically for cuttings management and previously approved by DNR. Drill cuttings and additives in sumps must be allowed to sufficiently settle out of the drill water prior to backfilling the sump.
- 2. Settled drilling mud and all drill cuttings shall be sufficiently buried and graded to reasonably prevent oxidation.

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## **Action Requirements on Inspection Reports**

Complete and report any outstanding work requirements identified in any Department inspection report by the date specified in the inspection report for completion.

# 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:**

#### File Annual Work Plan

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

- a) A written narrative describing your activities and the reclamation measures utilized at all disturbances.
- b) 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).
- c) A photo, with appropriate caption, of each reclaimed drill site and exploration trench.
- d) A photo of representative sections of any new road or trail construction.
- e) A detailed description of the methods used to plug the drill holes.
- f) A list of Mining Claims by ADL# that contain unreclaimed disturbance at the end of the year and a total acreage that remains unreclaimed.

Additionally, each calendar year of the permit, the applicant shall file a work plan detailing the number, type and location of proposed activities under this authorization to be conducted for that exploration year, including any repairs and details of the repair plans. The Annual Work Plan is due by March 31. If no work is proposed, a timely statement shall still be filed.

## 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 authorized activities deems an acceptance of these stipulations.

ADL Number	Claim Owner	Claim Status	CLAIM_NAME
ADL 312534	Burggraf Roger C.	Active (35)	GRANT 8
ADL 312535	Burggraf Roger C.	Active (35)	GRANT 9
ADL 312536	Burggraf Roger C.	Active (35)	GRANT 10
ADL 313603	Burggraf Roger C.	Active (35)	RODY VEIN
ADL 315140	Burggraf Roger C.	Active (35)	GRANT 11
ADL 315146	Burggraf Roger C.	Active (35)	GRANT 17
ADL 318361	Burggraf Roger C.	Active (35)	GRANT NO 18
ADL 500216	Burggraf Roger C.	Active (35)	GRANT NO 24
ADL 536569	Burggraf Roger C.	Active (35)	GRANT NO 31
ADL 536568	Burggraf Roger C.	Active (35)	GRANT NO 30
ADL 575828	Burggraf Roger C.	Active (35)	BRANDY 1
ADL 575829	Burggraf Roger C.	Active (35)	BRANDY 2
ADL 620855	Burggraf Roger C.	Active (35)	NICKALOFF
ADL 620856	Burggraf Roger C.	Active (35)	JEAN
ADL 620864	Burggraf Roger C.	Active (35)	HAPPY
ADL 317463	Burggraf Roger C.	Active (35)	<b>GRANT 20 FRACTION</b>
ADL 536567	Burggraf Roger C.	Active (35)	GRANT NO 29
ADL 312533	Burggraf Roger C.	Active (35)	GRANT 7
ADL 536564	Burggraf Roger C.	Active (35)	GRANT NO 26
ADL 575826	Burggraf Roger C.	Active (35)	ROSIE 1
ADL 575827	Burggraf Roger C.	Active (35)	ROSIE 2
ADL 536565	Burggraf Roger C.	Active (35)	GRANT NO 27
ADL 312532	Burggraf Roger C.	Active (35)	GRANT 6
ADL 575823	Burggraf Roger C.	Active (35)	GRANT NO 6 FRACTION
ADL 511378	Burggraf Roger C.	Active (35)	<b>GRANT 25 FRACTION</b>
ADL 313580	Burggraf Roger C.	Active (35)	IRISHMAN 2
ADL 315145	Burggraf Roger C.	Active (35)	GRANT 16
ADL 536566	Burggraf Roger C.	Active (35)	GRANT NO 28
ADL 620854	Burggraf Roger C.	Active (35)	ETHEL
ADL 620858	Burggraf Roger C.	Active (35)	GOLD LODE
ADL 620857	Burggraf Roger C.	Active (35)	ELMES
ADL 315141	Burggraf Roger C.	Active (35)	GRANT 12

ADL 317464 Burggraf Roger C. Active (35) GRANT 19 FRACTION