

APMA F20252961 St. Patrick's Project Fairbanks Mining District Memorandum of Decision

Applicant(s):

Felix Gold Operations, Inc.-Operator Roger Burggraf. – Mineral Property Owner

9/18/2025

1. REQUESTED LAND USE AND PROPOSED ACTIVITY DESCRIPTION:

Executive Summary:

Felix Gold Operations Inc. has proposed to conduct an advanced hard rock exploration project on State mining claims on Ester Dome near Fairbanks, Alaska, in the Fairbanks Mining District. The project is proposing 100 exploration drill holes for the purpose of characterizing gold deposits. Exploration activity will utilize both Reverse Circulation (RC) and Diamond Core (DD) drill holes. RC holes will reach a maximum depth of 320ft, and DD holes will terminate at 1600ft. Core samples will be removed from the project location and stored off-site. The RC rig is mounted on low-ground-pressure tracks, whereas the DD drilling will be conducted using an LF90 skidded rig (or comparable equipment) centered on access trails to minimize drill pad construction footprint. Both rig types will require water and drilling mud, which will be discharged into a day-tank or sump. Water will be acquired from Happy Creek and an unnamed pond on the claim block. Drilling mud will not be discharged into these receptacles within 200ft of a stream or wetland. The project proposes to conduct year-round activities but does mention scaling back efforts during the winter months.

The exploration activity will be accessed via improved roads and unimproved existing trails, some of which will require brush clearing using a brush mulcher. New access trails will be constructed as appropriate off existing trails. Disturbance created will be reclaimed upon cessation of drilling operations.

Proposed Surface Occupancy:

There is no proposed surface occupancy requested at this time, other than the exploration work described in the executive summary. There will be no camp equipment within the claim block. All personnel housing and/or camps will be located off site on private property.

Fuel Storage:

The project proposes utilizing a bulk 3000-gallon diesel fuel tank located on private property outside the project area with the owner's permission. Fuel will be stored at least 320 feet away from naturally occurring water bodies.

Acreage Disturbance and Reclamation Bonding:

Pursuant to AS 27.19.030, this operation is more than five acres and requires a reclamation plan approval. The applicant proposes to disturb approximately 13 acres of state-managed land in the 2025 operating season. The applicant intends to reclaim all drill sites prior to the end of field season or as soon as the sites are no longer needed. This project is currently bonded through the Statewide bond pool for 13 acres.

The drill sites will be reclaimed by covering the disturbance with the stockpiled topsoil and vegetative mat, allowing natural seeding to prioritize revegetation. Reclamation of drill sites will be completed immediately upon removal of drill rig or at the end of the season. All equipment and structures will be removed at the end of service life or when the project is concluded. Equipment will be dismantled and removed according to applicable State and Federal laws. Regrowth is anticipated to start shortly after demobilization.

Water, Fish, Wildlife, Wetlands and Cultural Surveying:

Water use and water quality, fish and habitat mitigation, wildlife mitigation, wetlands impact and cultural resources are managed and regulated by the following agencies:

- Alaska Department of Natural Resources, Division of Mining, Land & Water, Water Section (DMLW-Water)
- Alaska Department of Natural Resources, Office of History and Archeology (OHA)
- Alaska Department of Fish and Game, Habitat Division (ADFG)
- Alaska Department of Environmental Conservation (ADEC)
- U.S. Army Corps of Engineers, Alaska District (USACE)
- U.S. Fish and Wildlife Service (USFWS)

2. PROPOSED ACTION

The Division will authorize Felix Gold Operations, Inc and Roger Burggraf's proposed operations via a Plan of Operations Approval according to 11 AAC 86.150 and 11 AAC 86.800 for a term beginning on the date of issuance and ending on December 31, 2024, unless extended under 11 AAC 86.800(d).

3. ADMINISTRATIVE RECORD

The administrative record for the proposed action consists of the Constitution of the State of Alaska, the Alaska Land Act as amended, applicable statutes and regulations referenced herein, the Eastern Tanana Area Plan for State Lands (ETAP) and other classification references described herein, and the case file for the application serialized as APMA F20252961.

4. SCOPE OF DECISION

The scope of this decision is to determine if it is in the State's interest to issue a Plan of Operation for proposed surface uses of Burggraf's state mining claim. The scope of administrative review for this authorization is limited to (1) reasonably foreseeable, significant effects of the uses to be authorized; (2) applicable statutes and regulations; (3) facts pertaining to the land or resources; and (4) issues that are material to the determination that issuing the authorization is in the interest of the State of Alaska.

5. RELEVANT STATUTORY & REGULATORY AUTHORITIES

Relevant Statutory Authorities:

AS 38.05.020 Authority and Duties of the Commissioner

AS 38.05.035 Powers and Duties of the Director

AS 38.05.195 Mining Claims

AS 38.05.255 Surface Use of Land or Water

AS 27.19 Reclamation

Relevant Regulatory Authorities:

11 AAC 86.800 Mining Rights

11 AAC 96 Miscellaneous Land Use

11 AAC 87 Mining Reclamation

6. PROPOSED PERMIT AREA LOCATION

Geographic Location:

The project location is between the Ester Dome Observatory and Sheep Creek Road, along St. Patrick's Creek and St. Partick's Creek Road, at and in proximity to the Grant Mine, on the Northeast side of Ester Dome, within the Fairbanks D-3 US Geological Survey (USGS) quadrangle (scale 1:63, 360) in the Fairbanks Mining District.

Legal Description:

Proposed activity is within Sections 27-29 & 32-34 of Township 001 North, Range 002 West, Fairbanks Meridian

7. LAND STATUS INFORMATION

The requested activities lie within the State of Alaska within State of Alaska general grant lands.

The requested activities lie within the State of Alaska general selection GS 958. The subject lands within F001N002W received Tentative Approval/#1965-0034 to the State on 1/12/1965. The State Received Patent #50-66-0449 on 04/07/1966.

The entire history of land transfers on General Selection GS 958 can be found on DNR's online Land Administration System at:

 $\frac{https://dnr.alaska.gov/projects/las/\#filetype/GS/filenumber/958/landflag/y/searchtype/casefile/reporttype/detail}{}$

<u>Interests within or near the sections listed above:</u> These interests are identified in Alaska's Land Administration System and Alaska Mapper both available online at http://dnr.alaska.gov/mlw/index.htm

Mineral Closing Order

MO 1162A01- NDR DMLW Mineral Order-Pipeline Coordinators Office, Active (27)

Leasehold Location Order

None

Municipal Selection

None

Other Permits, Leases or Actions

A DL 56447-Public Easement, DNR DMLW, Issued (27)

ADL 418997-Pipeline ROW, AK Gasline Development Corp-ASAP, Issued (27 &

28)

L AS 31556-Permit, DGGS, Waiting on Deliverables (27)

ADL 403118-Water Right, Roger Burggraf, Certificate Issued

ADL 403565- Water Right, Roger Burggraf, Certificate Issued

ADL 421028-Potential Hazard, Roger Burggraf, Restricted Use

ADL421226- Restricted Use Authorization, Environmental Covenant, Issued

ADL 421652-Potential Hazard, Unknown Owner, Unverified

ADL 414981-Public Easement, Golden Valley Electric Association Inc., Issued

ADL 418453-Public Easement, DNR DMLW, Issued

ADL 421314-Public Easement, Golden Valley Electric Association Inc., Issued

<u>Land Agreements, Settlements, Conveyances, Reconveyances and Municipal</u> Entitlements of land

MH 126- Mental Health Trust Land Office, Active (27 & 28)

ADL 57631-Oddlot Sale Competitive, Jerry Flodin, Conveyed (27)

ADL 57713-OTE Sale Non-Competitive, Nameok C. Veah, Conveyed (27)

QCD 8000031-MH Grant Land, DNR MHTLO, Conveyed

Other Land Information

Description of activities above lie within the management provisions or may be affected by the Eastern Tanana Area Plan for the following regions:

Eastern Tanana Area Plan: Fairbanks Area

Plan Name: Map 3-2a

Description: F-19, Mi, Rd

• **Designation:** Mineral and Recreation

• Classification: None

Prohibited Uses: None

• Management Intent: Unit is to be retained and is to be managed for its mineral and public recreation values. Recreation will be emphasized to the extent that it does not interfere with mining activity. Mineral development must consider potential impacts on recreational and residential uses and provide appropriate avoidance or minimization practices. Historic sites that do not conflict with current or future mining activity should be protected and retained in public ownership. RS 2477 routes are to be retained. Use of this

area for small scale commercial and personal use harvest is considered appropriate to the extent that it is compatible with mining activity, both current and planned. This area has been characterized by significant mining activity and is considered to have high grade mineralization. Further development of subsurface resources is expected during the planning period.

• Management Provisions or Restrictions: None

7. ACCESS

St. Patrick's Road is under the authority of the Alaska Department of Transportation and Public Facilities (DOT&PF) as part of the state highway system. Because it is managed by DOT&PF and not the Alaska Department of Natural Resources (DNR), the use, access, and general maintenance of the road fall outside the scope of DNR's permitting and regulatory authority. Accordingly, this decision does not address or impose stipulations regarding the use of St. Patrick's Road, as the road is not subject to regulation under mineral exploration permitting requirements administered by DNR..

Any vehicle traffic associated with this mineral exploration project, including transport of personnel, heavy equipment, and supplies, is subject to the same traffic laws, regulations, and restrictions applicable to the public on the state highway system. This includes compliance with load/weight limitations, posted speed limits, seasonal weight restrictions, and other DOT&PF requirements intended to ensure safety and protection of state transportation infrastructure. Responsibility to comply with these requirements rests with the operator and is independent from permits or authorizations issued by DNR for mineral exploration activities.

8. PERMITTING BACKGROUND/ HISTORY OF APPLICANT COMPLIANCE

Felix Gold Operations, Inc. and Roger Burgraaf have no noncompliance history and are in good standing with the Division.

9. AGENCY & PUBLIC NOTICE

Agency Notice

The Division provided the application for review and opportunity to comment on the activities considered for authorization under this summary. The following entities were notified on April 24, 2025 for comment on the application: The Alaska Department of Fish and Game (ADFG), Alaska Department of Environmental Conservation (ADEC), ADNR Water Resources Section (ADNR-Water), ADNR State Historic Preservation Office (AK SHPO), U.S. Army Corps of Engineers (USACE), Bureau of Land Management (BLM), Fairbanks North Star Borough (FNSB), and the US Fish and

Wildlife Service (USFWS). Agencies were given opportunity to review the application materials and submit comments for a 14-day period.

Agency Review Comment and Issue Response

Alaska Department of Fish and Game: Issued a Fish Habitat Determination that a Fish Habitat Permit was not required on 04/25/2025.

Division Response: Thank you for your comment. No action required.

Public Notice

The Division issued public notice of the application and supporting documents on April 24, 2025. Notice was distributed using the State of Alaska Online Public Notice System. During the Public Notice Period, 127 individual comment submissions were received, which totaled a 181 pages of comments.

DMLW's public comment responses are located in Appendix A of this document.

10.POTENTIAL ENVIRONMENTAL RISK

This decision considers the environmental factors directly related to the authorization for use of state lands, specifically whether the approval of the authorization is in the State's interest. The purpose of this consideration is to identify any associated mitigation measures or other requirements necessary to protect the public interest while informing the overall decision of whether or not to approve the authorization.

The environmental risks associated with this activity are low. Risks may be minimized by following the permit stipulations and utilizing Industry best management practices.

Fuel:

The project proposes to utilize a bulk 3000-gallon diesel fuel tank located on private property outside the project area with the owner's permission. Fuel will be stored at least 320 feet away from naturally occurring water bodies.

Camp Reclamation, Remediation and Removal:

The camp/employee housing is located on private land is outside the scope of this decision.

11.PERFORMANCE GUARANTY

Performance guarantees are means to assure performance and to provide ways to pay for corrective action if the permittee fails to comply with the requirements set forth in the permit document. They are also used to protect state land from damage and to make certain that improvements are removed and that the land is returned in a usable condition upon termination of the permit.

Upon review of the scope and nature of the proposed activities, in combination with the applicants' history of acceptable compliance, the Division has determined to not require a performance guaranty¹. The Division reserves the right to evaluate the performance guaranty at any time during the life of the permit, and at least annually. If a performance guaranty is required and not provided timely, the authorization will be nullified without further consideration.

12. INSURANCE

Insurance is a means to protect the state from liabilities incurred through the use of state property, or from damage to state property as a result of accidental or catastrophic events. This type of protection is necessary in the event of an accident or negligence that was consequentially connected to activities conducted on state land, and/or if the state is named in a lawsuit as a result of an accident or negligence.

After consideration, the Division has determined not to require insurance based on the scope and nature of the proposed activities. The Division reserves the right to evaluate the insurance requirement at any time during the life of the Plan Approval, and at least annually. If insurance is required and not timely provided, the authorization will be nullified without further consideration.

13. MODIFIED OR SPECIAL STIPULATIONS TO BE APPLIED TO THE PLAN OF OPERATIONS APPROVAL

The following modified or special stipulations have been included to the issued Plan of Operations Approval:

Forest Debris When using, creating, or maintaining trails, trees and large forest debris

¹ Felix Gold Operations, Inc. is separately bonded through participation in the Statewide Reclamation Bond Pool (AS 27.19.040(b)), which provides adequate financial assurance. Should the operator default, the Division may access these pooled funds after administrative process to complete all required reclamation, ensuring the State and public resources are protected in accordance with statutory requirements

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.
- 2. Recirculation tanks or in-ground 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.
- 3. Drill cuttings and additives in sumps must be allowed to sufficiently settle out of the drill water prior to backfilling the sump.
- 4. Settled drilling mud and all drill cuttings shall be sufficiently buried and graded to reasonably prevent oxidation.

File Annual Work Plan

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.

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

You are required to file an Annual Exploration Report by December 31st of each year; please ensure 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.

14. AS 38.05.195 MINING CLAIMS

Mining claims established pursuant to AS 38.05.195 are a recognized interest in real property. By properly locating and recording a mining claim on state land, a claimant acquires the exclusive right to possession of and extraction of locatable minerals within the boundaries of the location. This right is legally enforceable as a property interest, and it provides the basis for permitting exploration and development activities on state mining claims. The Division's records indicate that the applicant (Burggraf) is the locator of record for the claim and is therefore recognized as having the exclusive mineral rights associated with the claim necessary to support issuance of the requested exploration authorization.

Importantly, while mining claims do not confer unrestricted ownership of the land surface, they do provide the locator with the right to use the surface to the extent necessary to access and develop the mineral estate². Both the Alaska Constitution, Article VIII, Section 11, and AS 38.05.255 recognize that the right of possession and extraction necessarily entails the right to occupy and use the land surface in furtherance of mining-related purposes. Without the ability to disturb and occupy the surface for exploration and development, the mineral estate itself could not be realized.

Therefore, the locator's rights extend beyond a purely nominal or abstract mineral interest and include practical surface use rights that support prospecting, extraction, and basic processing. and include practical surface use rights that support prospecting, extraction, and basic processing. These rights are directly tied to exploration and mining activities,

no automatic right to engage in intensive exploration activities... For intensive exploration activities, a [Miscellaneous Land Use Permit] is required." (Nunamta Aulukestai v. State, Dep't of Natural Resources, 351 P.3d 1041, 1057 (Alaska 2015))

² Article VIII, section 11 of the Alaska Constitution provides that "[p]rior discovery, location, and filing, as prescribed by law, shall establish a prior right to these minerals and also a prior right to permits, leases, and transferable licenses for their extraction." However, holders of mining claims "do not have an automatic right to mine their claims. To actually extract minerals, they must acquire the necessary permits." Likewise, claimants "have

and the Division acknowledges that prospecting and advanced exploration—such as geologic sampling, trenching, and drilling—fall within the necessary use of the surface contemplated by statute. The applicant, as the mining claim holder, is therefore entitled to carry out reasonable surface uses to achieve the intended mineral development.

15. DISCUSSION

Felix Gold Operations Inc. has proposed to conduct a hard rock exploration project on State mining claims on Ester Dome near Fairbanks, Alaska in the Fairbanks Mining District. The project location is between the Ester Dome Observatory and Sheep Creek Road, along St. Patrick's Creek and St. Partick's Creek Road, in proximity to the Grant Mine, on the Northeast side of Ester Dome, within the Fairbanks D-3 US Geological Survey (USGS) quadrangle (scale 1:63, 360) in the Fairbanks Mining District.

The project is proposing 100 exploration drill holes for the purpose of characterizing gold deposits. Exploration activity will utilize both Reverse Circulation (RC) and Diamond Core (DD) drill holes. RC holes will reach a maximum depth of 320ft, and DD holes will terminate at 1600ft. Core samples will be removed from project location and stored off site. The RC rig is mounted on low-ground-pressure tracks whereas the DD drilling will be conducted using an LF90 skidded rig (or comparable equipment) centered on access trails to minimize drill pad construction footprint. Access to the claim block is via St. Patrick's Road, which is a Department of Transportation and Public Facilities managed road and a part of the state highway system. The applicant has proposed self-mitigation that project related travel will be restricted during the timeframe when school buses are picking up/dropping off students. Likewise, heavy vehicles such as semi-trucks hauling large equipment will be limited during night hours to minimize noise.

An existing GVEA utility corridor runs North-South through property, all use of this corridor will be under approval from GVEA. Other access routes will be constructed using a Prime Tek 300 brush mulcher to clear surface vegetation but not disturb the underlying vegetive mat. New access trails will be constructed off existing access trails using a Cat D-6 bulldozer. Driveway permits from DOT will be acquired prior to creating new access of St. Partick's Road. Trails will be designed to prevent erosion.

There is a restricted use area located within the project area, which has been identified in the land status section of this decision. All exploration activities, including transportation of equipment, will maintain a 200-foot buffer around this region.

The ADF&G and USFWS were consulted during the agency comment period. The Division did not receive any agency comments; however, the Division will include a standard stipulation for eagle avoidance and contact information for USFWS.

The continued operations would not impede public access to the area and would likely not impact vegetation beyond what is under the scope of this application therefore, habitat values should remain minimal. The proposed exploration project does not impede recreational opportunities in the area and is consistent with the management intent of the plan. The continued exploration activity contributes to the economic diversity of state lands by facilitating potential mineral development without impacting habitat and is therefore consistent with the management intent of the plan.

This area has been characterized by significant mining activity and is considered to have high-grade mineralization. Further development of subsurface resources is expected during the planning period. The overall footprint of the project is consistent with an advanced exploration program and has been adequately bonded. Since the proposed activities are low-risk and utilize a small footprint, impacts to state land are expected to be minimal. No alternatives to the proposed activity were considered. Since the proposed activities are low-risk and utilize a small footprint, impacts to state land are expected to be minimal. No alternatives to the proposed activity were considered.

16. DETERMINATION

The Division has determined it appropriate to issue a stipulated Plan of Operations Approval³ to conduct Hardrock Exploration and Reclamation activities on lands owned by the State of Alaska.

The applicant is advised to review authorization documents carefully as well as the regulations under AS 27.19 (Reclamation), AS 38.05 (Alaska Land Act), 11 AAC 86 (Mining Rights), 11 AAC 96 (Miscellaneous Land Use), and 11 AAC 97 (Reclamation).

The Plan of Operations Approval is being executed and issued concurrently with this Memorandum of Decision.

Dave Charron	09/18/2025
Authorized Officer	Date
David Charron, Geologist 5	

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

³ Effective from the date of issuance until December 31, 2034, unless extended according to 11 AAC 86.800(d).

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 dnr.appeals@alaska.gov. 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 https://dnr.alaska.gov/mlw/pdf/DNR-11-AAC-02.pdf.

18. MEMORANDUM OF DECISION ATTACHMENTS

Attachment A- Response to Public Comments

Issued Plan of Operations Approval APMA F20252961,