

State of Alaska



Water Rights

**CERTIFICATE OF APPROPRIATION
LAS 13986**

The State of Alaska, acting by and through the Department of Natural Resources, Division of Mining, Land and Water, 3700 Airport Way, Fairbanks, AK 99709-4699, hereinafter referred to as the grantor, under AS 46.15, the Alaska Water Use Act, and the regulations adopted under it, grants to:

Fairbanks Gold Mining, Inc.
PO Box 73726
Fairbanks, AK 99707-3726

The right to the following use of water:

SOURCE: Fish Creek

QUANTITY: 5,350.0 Acre-Feet (Maximum water impoundment capacity (at 1,033 fmsl) behind freshwater reservoir dam during the term of the Lease of Water Rights ADL 47229/LAS 13986 dated effective February 15, 1994)

PERIOD: January 1st through December 31st

USE: Freshwater Supply Reservoir for Mining and Milling Processes

QUANTITY: 456.57 Acre-Feet per Year (Water withdrawal from freshwater reservoir)

PERIOD: January 1st through December 31st

USE: Mining and Milling Processes

With a PRIORITY DATE of December 11, 1992.

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The location of this water source:

A freshwater supply reservoir located on Fish Creek within South one-half (S1/2) Section 7, Southwest one-quarter (SW1/4) Section 8, Northwest one-quarter (NW1/4) Section 17, Section 18, Township 2 North, Range 3 East, Fairbanks Meridian, and Northeast one-quarter (NE1/4) Section 13, Township 2 North, Range 2 East, Fairbanks Meridian.

The location to which this water right is appurtenant:

Tract C - 2 of Alaska State Cadastral Survey 93-8 (930008), according to Plat No. 94-72 filed in the Fairbanks Recording District, Fourth Judicial District, State of Alaska, subject to reservations and exceptions of record. Said tract located within Sections 9, 15, and 16, Township 2 North, Range 2 East, Fairbanks Meridian.

The holder of this Certificate of Appropriation shall comply with the following conditions:

1. Follow acceptable engineering standards in exercising the water right granted by this certificate.
2. Except for claims or losses arising from negligence of the State, defend and indemnify the State, the State's agents, and the State's employees against and hold each of them harmless from any and all claims, demands, legal actions, loss, liability, and expense, including attorney fees, for injury to or death of persons and damages to or loss of property arising out of or connected with the exercise of the water right granted by this certificate.
3. Comply with all applicable laws, regulations, and conditions.
4. Notify the grantor of any change of address, transfer of any real property identified in this certificate, or proposed change in the water appropriation.
5. If the grantor determines that this appropriation unduly affects a prior appropriator's ability to obtain water in accordance with his or her permit or certificate, this appropriation may be amended or water use may be curtailed until the prior appropriator can again obtain water under his or her prior right. Those individuals within the same area that do not have water rights may also be required to curtail taking water.
6. Allow grantor's authorized representatives to inspect, at reasonable times, any facilities, equipment, practices, or operations regulated or required under this certificate.
7. The cost of any necessary field inspections shall be paid by the Grantee.
8. Any water intake structures in fish bearing waters, including a screened enclosure, well-point, sump, or infiltration gallery, must be designed, operated, and maintained to prevent fish entrapment, entrainment, or injury at the maximum diversion rate, unless specifically exempted by the Alaska Department of Fish and Game, Habitat Division. Inspect the intake screen for damage (torn screen, crushed screen, screen separated from intake ends, etc.) after each use and prior to each deployment. Any damage must be repaired prior to use of

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the structure. The structure must always conform to the original design specifications while in use. The suction hose at the water source take point must be clean and free from contamination.

9. Submit monthly water use records to the Water Resources Section on an annual basis.
10. Adequate stream flows (instream), as determined by DNR and ADF&G, for the protection of fish and their habitat, shall be maintained in Fish Creek, below the FGMI water supply dam, at the conclusion of active mining, as defined in the mill site permit. The instream flows for fish and their habitat shall not be enforceable during active mining, but adequate flows shall be maintained during periods of excess mining water availability.
11. This certificate of appropriation is subject to an annual administrative service fee pursuant to 11 AAC 05.010 (a)(8)(M).

The water right is granted subject to the pertinent statutory provisions in AS 46.15 and Administrative Regulations in 11 AAC 93.

This Certificate of Appropriation is issued by authority of AS 46.15.120 and 11 AAC 93.130 on November 22, 2017.

APPROVED Michael Walton
TITLE Natural Resource Manager II

STATE OF ALASKA)
3rd JUDICIAL DISTRICT) ss.
)

This is to certify that on November 22nd, 2017 before me appeared Michael Walton known by me to be the authorized representative of the Division of Mining, Land and Water, Department of Natural Resources, and acknowledged to me that this Certificate of Appropriation was voluntarily executed on behalf of the State of Alaska.

Christine Ballard
Notary Public in and for the State of Alaska

With Office
My Commission Expires



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After recording return to the Grantor:

Department of Natural Resources
Division of Mining, Land and Water
3700 Airport Way
Fairbanks, Alaska 99709-4699

State Business – No Charge