

COAL EXPLORATION PERMIT (RENEWAL)

Preliminary Findings of Facts and Decisions

Beluga Coal Company, a subsidiary of Barrick Gold Corporation of North America, 431 West 4th Avenue; Suite 203, Anchorage, AK 99501 has submitted an application for a renewal on the Beluga Coal Exploration Permit, 01-84-795. The Division of Mining, Land and Water (DMLW) has reviewed the request and makes the following preliminary findings in accordance with 11 AAC 90.119, 11 AAC 90.165, and 11 AAC 90.129.

1. An application for a renewal of Coal Exploration Permit 01-84-795 was filed with DMLW on October 22, 2010.
2. The exploration activity would be located 16 miles Southwest of Tyonek, Alaska within: T12N, R 13 W, Section 3 NW1/4, 4N1/2 and 5N1/2, T 13N, R13W, Sections 26, 27, 28, 29 S1/2 and NE1/4, Section 32 N1/2 and SE1/4 , Sections 33, 34, 35 of the Seward Meridian.
3. This renewal would authorize the continued monitoring of 14 wells. Additional activities proposed under this permit renewal include the construction of a temporary camp and the drilling 11- 14 exploration drill holes. Equipment used in the program would use an existing road and easement (ADL 215335) from Shirleyville to the exploration area. Activities would commence after freeze-up to minimize impacts on the terrain, brushing for equipment would be kept to a minimum. Water for drilling would be obtained adjacent to each drill site by the excavation of small sump pits. Supplemental water, if needed, would be obtained from surface streams in the permit area. Reclamation of ground disturbed during the project and drill holes not retained as monitoring wells would be reclaimed prior to the conclusion of the exploration program.
4. Work would commence after freeze-up to minimize damage to local terrain; existing roads and trails would be used to support proposed operations. This permit application does not propose the construction of new roads or trails.
5. A preliminary review by MLW staff determined that further information on the project was not necessary. An updated permit application was received October 28, 2008.
6. Public Notice of this permit renewal will be given for the period starting on February 4, 2011, and will end on March 7, 2011 at 5:00pm. A legal ad will be placed in the Anchorage Daily News on February 4, 2011. Also, the notice will be mailed directly to the Division's mailing list of affected persons and agencies and placed on the Departments Public Notice Website.
7. The activities proposed in the exploration permit application meet the requirements of AS 27.21.200 and 11 AAC 90.163, and 11 AAC 90.167; subject to the stipulations of the

permit, which ensure that the exploration and reclamation will comply with these requirements.

8. The proposed permit area is not within an area designated unsuitable for mining under AS 27.21.260.
9. The proposed coal exploration activities will not affect threatened or endangered species or their critical habitat.
10. Pursuant to 11 AAC 90.167(b) the Division has determined that the reclamation bond for Coal Exploration Permit 01-84-795 currently held by DMLW in the amount of \$25,136.00 is sufficient to cover the associated reclamation costs. Any changes to the approved activities will require approval and modification of the posted reclamation bond.
11. The application complies with the requirements of the Alaska Surface Coal Mining Control and Reclamation Act (AS 27.21 and 11 AAC 90).
12. Copies of the application and preliminary 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 at (www.dnr.state.ak.us/mlw/mining/index.htm). Written comments regarding this permit should be sent to Russell Kirkham at the address listed above, or by e-mail at russell.kirkham@alaska.gov. The deadline for written comments is 5:00 PM, March 7, 2011.