FINAL FINDINGS OF FACTS AND DECISION
Coal Exploration Permit Application

Ranger Alaska, LLC. (RAL), 110N Rubey Drive, Suite 201, Golden, CO 80403 through their representatives Alaska Earth Sciences Inc, 1075 Check Street, Suite 210, Wasilla Alaska 99654, has submitted a permit application to conduct exploration activities on their Jonesville coal lease (ADL 324600 and ADL 229336). The Alaska Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) has reviewed the request and makes the following Final Findings of Facts and Decision in accordance with 11 AAC 90 907(h), under the authority of AS 27.21.030 and AS 27.21.100.

1. An application for a Coal Exploration Permit (No. E-0902) was filed with DMLW on August 30, 2012. The request for exploration was submitted in accordance with AS 27.21.200 and 11 AAC 90 Article 8 "Exploration."

2. This exploration request is for a two-year term. The proposed exploration activity is located 2 miles northwest of Sutton in Southcentral Alaska within Sections 16-21, Township 19 North, Range 3 East, Seward Meridian.

3. The exploration application proposes to drill up 45 shallow air rotary drilled boreholes in an existing tailings pond in the southwest corner of the lease area. This tailing pond was associated with coal washing operation of the historic Evans Jones Coal Mine. The application also proposes to drill up to seven medium to deep exploratory coreholes. Up to 2,200 feet of drilling is anticipated for the air rotary drilling and up to 7,250 feet of core drilling. The project proposes to use existing trails and helicopter support wherever possible. All staging and logistics will be done on existing disturbed areas to minimize additional impacts to the exploration area. The exploration application also proposes to construct an additional 1760 feet trail to access the drill sites.

4. Public notice of this permit application was given October 24, 2012 to December 5, 2012. A legal ad was placed in the Anchorage Daily News on October 24, 2012. On this same date the public notice was mailed directly to the DMLW's mailing list of affected persons and agencies. During the comment period, 117 comments were received in response to the public notice. Responses to comments concerning the exploration program are located in an attached document titled: "Appendix A: Department of Natural Resources, Division of Mining, Land and Water (DMLW) Responses to Public Comments Regarding The Jonesville Exploration Permit Application."

5. In accordance with 11 AAC 90.907(h) a written Findings and Decision was completed. The public notice of this final Findings of Facts and Decision begins on March 1, 2013 and Ends on March 30, 2013. A legal ad will be placed in the Anchorage Daily News on March 1, 2013. The decision will be distributed simultaneously to each person who filed a written comment, DMLW's list of affected persons, state and Federal agencies, appropriate local government agencies and placed on the State of Alaska Public Notice website.

6. The activities proposed in the 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.

7. The proposed exploration activities will not harm threatened or endangered species or their critical habitat.

8. Pursuant to 11 AAC 90.167(b), Ranger Alaska, LLC. (RAL) will post a reclamation bond of $86,236.08 to cover the cost of post-exploration reclamation. This bond must be submitted to the DNR/DMLW prior to any exploration activity. The Division has determined that the proposed bond is sufficient to cover the associated reclamation costs. 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 to meet the requirements of the permit and 11 AAC 90.303. The remaining bond for vegetative cover will be held for a minimum of one year and until the reestablishment of at least 90 percent ground cover, consisting of grasses and native vegetation, on disturbed areas (drill pads, trenches, trails, etc).

9. The approved permit area is not within an area designated unsuitable for mining under AS 27.21.260.

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 location.

    b. All new roads, trails, pads, trenches, and other ground disturbance will be limited to that necessary to complete exploration activities.

    c. In order to encourage native vegetation, Ranger Alaska will minimize the use of seeding and fertilizer on reclaimed topsoil.

    d. No blasting is authorized under this exploration permit until a blasting plan is submitted and is noticed under 11 AAC 90.375.

    e. All roads, access trails, and other impacted lands remain open to public use during exploration activities to the maximum extent practicable.

11. 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 authority.

12. Appropriate water use authorizations must be acquired prior to withdrawal of any water within or adjacent to the exploration area.

Copies of the Preliminary Findings of Fact and Decision, the Final Findings of Facts and Decision, and Response to Comments are available for review at the Alaska Department of Natural Resources, Division of Mining, Land and Water, 550 W 7th Avenue, Suite 920, Anchorage, AK 99501-3577, or on our website (www.dnr.state.ak.us/mlw/ mining/index.htm).

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. The request for a hearing may be mailed or delivered to Daniel S. Sullivan, Commissioner, Department of Natural resources, 550 West 7th Avenue, Suite 1400, Anchorage , AK 99501; faxed to 907-269-8918; or sent by electric mail to dnr.appeals@alaska.gov The

request for a hearing must be received within 30 days after applicant is notified of this decision. Any request must be received by 5:00pm. March 30, 2013.

Russell Kirkham, Manager,
Coal Regulatory Program

Feb 27, 2013
Date