

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER -- MINING SECTION

550 WEST 7TH AVENUE, SUITE 920
ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8621
FAX: (907) 269-8930

February 24, 2010

Delbert E. Parr
Fairbanks Gold Mining, Inc.
Kinross Fort Knox Mine
P.O. Box 73726

Re: Your letter of February 17, 2010 requesting to update the project's financial assurance

Dear Delbert:

Thank you for your letter of February 17 offering to update the Fort Knox financial assurance package to \$39,620,280.48 to take into consideration the adjustment dictated by the change in the Anchorage consumer price index for calendar year 2009. Your request to increase the amount and issue a revised letter of credit, as outlined in the following table, is approved.

Plan/Permit/Lease No.	Current Amt.	Revised Amt.	Description
Post Reclamation Maintenance	\$767,958.27	\$777,173.77	
Lease ADL 416471 True North Plan of Operations Approval	\$80,000.00	\$80,000.00	True North Access Road
Lease ADL 416509 True North Plan of Operations Mill Site	\$1,301,100.00	\$1,301,100.00	True North Mine Project Millsite
Approved True North Reclamation and Closure Plan	\$1,155,774.00	\$1,155,774.00	True North Plan of Operations
Fort Knox Leases ADL 414960 and 414961, Plan of Operations Approval F20079852, and Waste Management Permit 2006-DB0043	\$35,875,724.02	\$36,306,232.71	Fort Knox Mine Reclamation and Closure
Total	\$39,180,556.29	\$39,620,280.48	

This letter supersedes my earlier letter of February 17, 2010.

Sincerely,



Rick Fredericksen
Mining Section Chief



Fort Knox Mine

FAIRBANKS, ALASKA

Fairbanks Gold Mining, Inc
A subsidiary of Kinross Gold Corp.
PO Box 73726
Fairbanks, AK 99707-3726

Phone: (907) 488-4653
Fax: (907) 490-2290
www.kinross.com

February 17, 2010

Rick Fredericksen
Mining Section Chief
Alaska Department of Natural Resources
Division of Mining, Land & Water – Mining Section
550 West 7th Avenue, Suite 920
Anchorage, Alaska 99501-3650

RE: Annual Adjustment of Financial Assurance

Dear Rick:

With this letter, I am requesting to make the annual adjustment of the financial assurance for Fort Knox Mine based on the Consumers Price Index-Urban for Anchorage. We are working diligently to complete an update and revision of the Fort Knox reclamation and closure plan that includes the planned raise of the tailings dam and the expansion of the pit (Phase 7), plus other changes in waste rock dumps, etc. This plan revision we are anticipating to have completed and to you in March.

I will require a letter from you similar to what you provided last year for the bank to issue a revised Letter of Credit. I have included a copy of last year's letter for your convenience.

The CPI-U for Anchorage in 2009 was 1.2%. I have included a print of my source for this information. Using the 1.2% increase, the financial assurance for FGMI increases from \$39,180,556.29 to \$39,620,280.48. I have included a summary of financial assurance showing the details.

I appreciate your assistance with this task. If you have any questions or require any additional information, please contact me at your convenience. You may call me at (907) 490-2207.

Respectfully,

Delbert E. Parr
Environmental Manager

cc: Lauren Roberts, FGMI

STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER -- MINING SECTION

□ 550 WEST 7TH AVENUE, SUITE 920
ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8621
FAX: (907) 269-8930

May 29, 2009

Delbert E. Parr
Fairbanks Gold Mining, Inc.
Kinross Fort Knox Mine
P.O. Box 73726
Fairbanks, Alaska 99707-3726

Re: Letter of May 4, 2009 requesting to update financial assurance

Dear Delbert:

Thank you for your letter of May 4, 2009 offering to update the Fort Knox financial assurance package from \$35,048,954.84 to \$36,643,682.29 to take into consideration the adjustment dictated by the change in the consumer price index. Your request to increase the amount and issue a revised letter of credit is approved, as indicated in Table 1 below. I have taken the liberty to also update the table to indicate that the financial assurance for the Ryan Lode is now zero.

Table 1

Plan/Permit/Lease #	USD Amount	Description
Post Reclamation Maintenance	\$767,958.27	
Lease # ADL 416471 True North Plan of Operations Approval	\$80,000.00	True North Access Road
Lease # ADL 416509 True North Plan of Operations Mill Site	\$1,301,100.00	True North Mine Project Millsite
Approved True North Reclamation and Closure Plan	\$1,155,774.00	True North Plan of Operations
Solid Waste Disposal Permit 0231-BA004	\$0.00	Ryan Lode Closure/Post Closure
Fort Knox Lease Nos. ADL 414960 and 414961, Plan of Operations Approval F20079852, and Waste Management Permit 2006-DB0043	\$35,875,724.02	Fort Knox Mine Reclamation and Closure
	\$39,180,556.29	

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

Sincerely,

A handwritten signature in cursive script that reads "Rick S. Fredericksen".

Rick Fredericksen
Mining Section Chief

cc: Dick Mylius
Steve McGroarty
Jack Dimarchi

Databases

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Data extracted on: February 11, 2010 (5:58:02 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUURA427SA0, CUUSA427SA0
Not Seasonally Adjusted
Area: Anchorage, AK
Item: All items
Base Period: 1982-04=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1999													148.4	148.6	148.3
2000													150.9	150.0	151.9
2001													155.2	154.4	156.0
2002													158.2	157.5	159.0
2003													162.5	161.1	163.9
2004													166.7	165.6	167.8
2005													171.8	169.6	174.1
2006													177.3	176.7	177.9
2007													181.237	179.394	183.080
2008													189.497	187.659	191.335
2009													191.744	190.032	193.456

12-Month Percent Change

Series Id: CUURA427SA0, CUUSA427SA0
Not Seasonally Adjusted
Area: Anchorage, AK
Item: All items
Base Period: 1982-04=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1999													1.0	1.3	0.9
2000													1.7	0.9	2.4
2001													2.8	2.9	2.7
2002													1.9	2.0	1.9
2003													2.7	2.3	3.1
2004													2.6	2.8	2.4
2005													3.1	2.4	3.8
2006													3.2	4.2	2.2
2007													2.2	1.5	2.9
2008													4.6	4.6	4.5
2009													1.2	1.3	1.1

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FINANCIAL ASSURANCE SUMMARY

Plan/Permit/Lease #	Current Amount	Revised Amount	Description
Post Reclamation Maintenance	\$767,958.27	\$777,173.77	
Lease # ADL 416471 True North Plan of Operations Approval	\$80,000.00	\$80,000.00	True North True North Access Road
Lease # ADL 416509 True North Plan of Operations Mill Site	\$1,301,100.00	\$1,301,100.00	True North Mine Project Millsite
Approved True North Reclamation and Closure Plan	\$1,155,774.00	\$1,155,774.00	True North Plan of Operations
Fort Knox Lease Nos. ADL 414960 and 414961, Plan of Operations Approval F20079852, and Waste Management Permit 2006-DB0043	\$35,875,724.02	\$36,306,232.71	Fort Knox Mine Reclamation & Closure
Total	\$39,180,556.29	\$39,620,280.48	