Fort Knox Mine
Annual Activity Meeting
March 22, 2013
Location

Fairbanks

Fort Knox
Fort Knox Mine

- Open pit gold mine
- Granite ore body
- Processing
  - Carbon-in-pulp mill 14M tons per annum
  - Heap Leach 30M tons per annum
- 16 years of production
Mine History

1984 – Visible gold discovered on Fort Knox claims
1994 – State & Federal permits issued
1995 – Project construction began
1996 – First gold pour
2009 – First gold poured from Heap Leach
2011 – 5 millionth ounce poured
2012 – 5.6 million ounces poured
Equipment & Employment

Hitachi 5600 shovel
9 CAT 793 haul trucks (38 total)
581 direct employees (February 28)
626 direct employees projected for 2013
Fort Knox Safety Performance:

2012 Incident Rate - Review

(Incidents per 200,000 man-hours)

TRIR .71 With Contractors

TRIR .33 Without Contractors
  3 Contractor Reportable Accidents
  2 FGMI Reportable Accidents
Fort Knox Safety Performance:

2013 Incident Rate
(Incidents per 200,000 man-hours)

TRIR .0
What really counts is how we finish the year!

ZERO!

- Administration Zero
- MEM Zero
- Mill Zero
- Mine Operations Zero on October 30, 2013
## Mine production

<table>
<thead>
<tr>
<th>Daily averages</th>
<th>Costs</th>
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</thead>
<tbody>
<tr>
<td>35 tons of explosives used</td>
<td>$130,000 in electric power used</td>
</tr>
<tr>
<td>8.5 tons of lime used</td>
<td>$12,600 in property taxes paid</td>
</tr>
<tr>
<td>25 tons of grinding balls added</td>
<td>164,000 tons of rock mined</td>
</tr>
<tr>
<td>25,700 gallons of diesel fuel consumed</td>
<td>227,000 tons of rock moved</td>
</tr>
<tr>
<td></td>
<td>40,000 tons of rock milled</td>
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</table>
2012 Production

359,377 gold equivalent ounce production 2012
425,000 gold equivalent ounce production forecast for 2013
97M tons moved in 2012
  o 30M tons stacked to Heap Leach
  o 14M tons milled
Barnes Creek Waste Rock Expansion

Permit

RS 2477
Yellow Pup Waste Rock Expansion

Yellow Pup Dump – Lower (121.7Mton)

- Lower Yellow Pup dump covers all wetlands in the drainage
- P75 waste will be used to build first few lifts of Lower Yellow Pup Dump and the rest will be from P8
- Total Yellow Pup Dump capacity is 187.9Mton based on 2012 EOY Topo
Heap Leach Expansion

- Permit pad expansion 161M tons to 307M tons
- Accelerate loading of the pad
- Increase solution pumping capacity
- Construct CIC2
Heap Leach Expansion

Permit

Reroute of access road

New tunnel
Heap Leach Expansion

Increase haulage from 15M tons/year to 30M tons/year

2012 15M tons contract haulage

2013 no contract haulage

New Fuel Island
Increase Solution Pumping

- Drill capable of 150’ with 30” casing
- Multiple drilling tools needed for unconsolidated ROM of WCHL

Pregnant solution well
New Solution well

In-heap solution storage pond max level
New CIC Facility
Air Quality

Mercury MACT – Title V for thermal sources used in beneficiation in precious metals operations
  • Carbon Regeneration Kiln
  • Electrowinning Cells
  • Induction Furnace

Compliance requires emission controls (carbon tray/bed units)
Tailings Storage Facility

2011 raised dam 25 feet

2014 raised dam 27 feet (design height)

APDES to discharge non-contact water from dewatering

Raise 15 feet vs. treat & discharge

Construct base working platform
Reserve Comparison

1996 Reserve
- 4.1M gold ounces
- 161M tons
- 0.025 opt
- Mine Life 12.4 years

2012 Reserve
- 3.6M gold ounces
- 262M tons
- 0.014 opt
- Mine Life 8 years
Gil Exploration
Gil Exploration
True North Reclamation

2009

Decision to stop further mining and exploration, wrote down reserves and resources
Began final reclamation

2010

Terminated lease agreements
Continued with reclamation

2011

Care and maintenance while awaiting ADNR review/approval of final reclamation plans
Planted 33,000 spruce, alder and birch seedlings

2012

Completed major reclamation activities including earthwork, grading, growth media placement, revegetation.

2013

Abandon Monitoring Wells
Continue monitoring
Reclamation

Fort Knox Reclamation & Closure Plan Approval – 2013

Financial Assurance – Developing with Standardized Reclamation Cost Estimator (SRCE)

- Fort Knox
  - Current $65,785,767
  - Submitted $81,316,076

- True North
  - $3,066,526