Fort Knox Mine Annual Meeting
March 12, 2008
Discussion Overview

People
Production
Environment
Mine History

Project History

- 1984 – Visible Gold Discovered on Fort Knox Claims
- 1994 – State & Federal Permits Issued
- 1995 – Project Construction Began
- 1996 – First Gold Pour
- 2007 – 4,000,000th Ounce of Gold Poured
Management Team

Larry Radford  VP and General Manager
Dan Snodgress  Operations Manager
Arne Bakke  Chief Exploration Geologist
Eric Hill  Mine Superintendent
Chris Ekstrom  Chief Mine Geologist
Doug Kenney  Site Controller
Bob Musgrove  Mill Superintendent
Clint Nebeker  Mobile Maintenance Manager
Delbert Parr  Environmental Manager
David Quandt  Chief Mine Engineer
Caroline Sandel  Human Resource Manager
Lorna Shaw  Community Affairs
Community Outreach

Community Involvement:
- Clean Up Day on Steese Highway
- Tanana Valley Fair
- Cookie mining in local schools
- AMEREF sponsor
- Bird Observatory sponsor
- Sponsor of local youth sports
- Chamber of Commerce Benefactor

Tours provided to:
- Elementary through post secondary classes
- Villages throughout Alaska
- Native corporations throughout Alaska
- Congressman Don Young
- Foreign Mining Officials
- Other mining companies
- Several Media Representatives
- State Legislators
400 high quality jobs

$118 million total annual spending (operating)

$38 million on wages and benefit

$28 million on electricity

$15 million on fuel

$3 million on property taxes

Work with over 500 Fairbanks companies

Business with over 700 Alaskan companies
Employment

2007 Employment – 395 People

2008 Employment – 421 People
Safety

More Precious Than Gold
Safety

- 2007 Kinross Award of Distinction Annual Safety Performance
- 2007 Lowest Rate of Injury in FGMI History
- Completed One Year Without an LTI
- Visibility Campaign
- See it Own it Solve it
Discussion Overview

People
Production
Environment
Fort Knox Pit Phases

Phase 6

Phase 7
2007 Mine Production

- 2007 tons mined: 45,980,000
- 126,000 tons per day
- 160 mine operations employees
Phase 7
Begins Mining 4th Qtr
Pit Dewatering

- Two wells added in 2007
- 22 active dewatering wells as of end of 2007
- 2007 average: 935 gallons per minute
- Nine additional wells planned for 2008
2007 Mill Production

- 2007 Tons Milled 14,020,000
- 38,411 tons per day
- 338,047 ounces produced
- 94.48% Mill availability
Mill Reject Conveyor

- Mill Reject Conveyor constructed in 2007
- Transports crushed mill recycle material to stockpiles for placement on heap leach
Heap Leach Construction
# Environmental Performance

## 2007 Record of Excellence

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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<tbody>
<tr>
<td>NOV’s</td>
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<tr>
<td>Federally Reportable Spills</td>
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<tr>
<td>Reduced State Reportable Spills</td>
<td>14%</td>
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</tbody>
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![Lake and Mountains Image](image-url)
2007 Permits

Certificate of Approval to Construct a Dam
Army Corps of Engineers 404 Permit (2)
Army Corps of Engineers 404 Permit Amendments (5)
General Stormwater Discharge Permit
Waste Management Permit
Fort Knox Millsite Lease Amendment (2)
Upland Mining Lease Amendment
Fort Knox Mine Monitoring Plan
Fort Knox Reclamation and Closure Plan
Fort Knox Plan of Operations
APMA (2)
Amended to Incorporate the Walter Creek Heap Leach Facility
Millsite Lease

Amended to Add NOAA Parcel
  • Millsite Lease
  • Upland Mining Lease

NOAA Parcel
  • 63 Acres Conveyed to TLO
  • 19 Acres Easement
Purchase the Surface Interest of TLO
Waste Management Permit

Permit Renewed and Revised to Incorporate:

- Heap Leach
- Changes to Closure Plan
- Monitoring
Plan Revised to:

- Incorporate Heap Leach
- Schedule Closure of Tailing After Heap Leach
- Pump Decant Water to Pit
- Configure Tailings to include
  - Uplands
  - Wetlands
  - Open Water
- Incorporate Design of Spillway
Financial Assurance

Reclamation/Closure $34,314,418

Post Closure Reclamation Obligations $734,537
Fort Knox Reclamation

Seed Mixture
- Arctared Fescue
- Wainwright Wheatgrass
- Alyeska Polargrass
True North

- Mining Operations Suspended December 2004
- Continue Care & Maintenance 2008
- Status Remains as a Resource 2008
- Evaluating Geologic Data 2008
- Anticipate a Drilling Program 2009
Financial Assurance:

Reclamation & Closure $2,456,874
Access Road $ 80,000
Terminated Claims Lease December 2005
Continue to Perform Monitoring
Tailings Interceptor System

- 4 Additional Interceptor Wells
- 1 Additional Monitoring Well
- Toe Drain
- 6 Piezometers
Tailings Storage Capacity

Options:
- Dam Raise
- Dry Stacking
- Discharge
- Enhanced Evaporation/Sublimation
Cyanide Code Certification

Establishes Minimum Standards for the Manufacture, Transport and Use of Cyanide in Gold Mining Operations

- Responsible management of cyanide used in gold mining
- Enhance the protection of human health, and
- Reduce the potential for environmental impacts
Cyanide Code Certification

- Cyanide Code audit October 2007
- Certification attained February 2008
- www.cyanidecode.org
A Golden Future

Extended Mine Life
- 2014 Mine
- 2014 Mill
- 2019 Heap Leach

Phase 7 Expansion
Heap Leach
Active Exploration Program
People Environment Production
We’ve Got Our Priorities Straight