

**AGREEMENT AMONG
THE ALASKA DEPARTMENT OF NATURAL RESOURCES,
MENTAL HEALTH TRUST LAND OFFICE
AND
FAIRBANKS GOLD MINING, INC. FOR CONSTRUCTION,
UPGRADE, USE AND MAINTENANCE
OF TRUE NORTH PROJECT ROAD**

1. Definitions.

For purposes of this Agreement, the term “DNR” means the Alaska Department of Natural Resources, Division of Mining, Land and Water (DMLW).

For purposes of this Agreement, the term “TLO” means Mental Health Trust Land Unit.

For purposes of this Agreement, the term “FGMI” means Fairbanks Gold Mining, Inc.

For purposes of this Agreement, the term “Design Plans” means the design plans, approved by an engineer registered in the State of Alaska, necessary for FGMI to upgrade, construct, and maintain the True North Project Road,

For purposes of this Agreement, the term “True North Project Road” means that certain road beginning at the Fort Knox Millsite Permit boundary and heading westerly to the proposed True North Project Millsite Lease to the location where the True North Project Road intersects the Little Eldorado RS 2477, as shown on the map attached hereto as Exhibit A.

For purposes of this Agreement, the term “Millsite Permit/Lease” means that certain Millsite Permit dated February 15, 1994, issued to Fairbanks Gold Mining, Inc. for the Fort Knox Mine Project (ADL Nos. 414960 and 414961) and the proposed True North Millsite Lease (ADL 416509).

2. Recitals.

Portions of the True North Road will upgrade existing access and remaining portions will be new construction.

DMLW, TLO and FGMI recognize that (a) the True North Project Road will be the principal means of surface access to and from the True North Mine Project during construction, operation and reclamation of the True North Mine and (b) a portion of the road maybe used for transport of ore from other prospects in the future.

3. Construction, Upgrade, Use and Maintenance of True North Project Road.

FGMI shall, in accordance with the Design Plans, construct and upgrade the True North Project Road. Upon the completion of such work FGMI shall deliver to DMLW & TLO a set of “as-built” plans and surveys for the True North Project Road. FGMI shall maintain the road in a safe and useable condition per Department of Transportation and Public Facilities specifications with approval of DMLW and TLO.

Attachment 5
Use and Maintenance Agreement

From the date of this agreement until the completion of final reclamation as required by the True North Millsite Lease, FGMI shall maintain the portion of the True North Project Road west of the Steese Highway. From the date of this agreement until the completion of final reclamation of Fort Knox Mine, FGMI shall maintain the portion of the True North Project Road east of the Steese Highway.

The True North Project Road will be used to haul ore and provide logistical support for both the Fort Knox Mine and True North Project and shall be constructed and maintained primarily for this purpose. However, recognizing that road is open to the public during the term of this maintenance agreement, FGMI shall take all reasonable measure to protect the public. FGMI may have temporary road closures for maintenance or the movement of equipment or materials as may be necessary for public safety.

Prior to termination of this agreement DMLW, TLO & FGMI shall jointly inspect the True North Project Road. FGMI shall complete any identified repairs prior to a final inspection by DMLW & TLO. Reclamation may be require for all or portions of the road.

4. **Indemnification.**

FGMI shall indemnify and hold harmless the State of Alaska including the Mental Health Trust Authority and TLO and their employees from any claims, damages, losses and expenses arising out of (a) FGMI's construct, upgrade, use and maintenance of the True North Project Road, and (b) the intersection of the True North Project Road and Steese Highway, unless the sole proximate cause of the injury or damage is the negligence or willful misconduct of the State or anyone acting on the State's behalf.

EFFECTIVE AS OF THE LAST DATE OF EXECUTION SET FORTH BELOW.

ALASKA DEPARTMENT OF
NATURAL RESOURCES

By: _____

Date: _____

FAIRBANKS GOLD MINING, INC.

By: _____

Date: _____

MENTAL HEALTH LAND TRUST OFFICE

By: _____

Date: _____