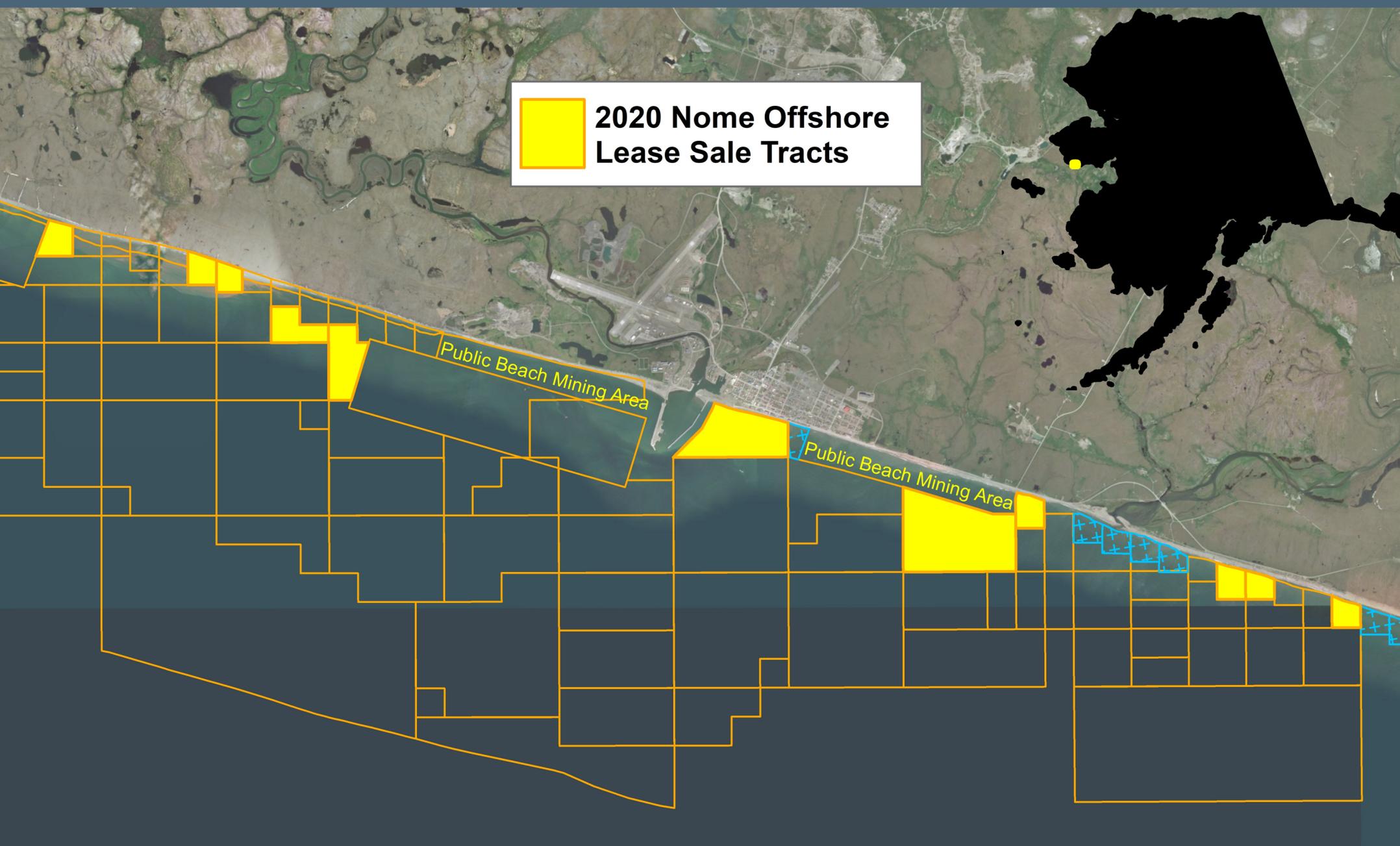




Alaska Department of Natural Resources
Division of Mining, Land and Water

2020 NOME OFFSHORE LEASE SALE



REFERENCE GUIDE

Project Coordinator:
Heather Lescanec
Geologist III
(907) 269-8648
heather.lescanec@alaska.gov



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Dear Gold Seeker,

In 2011, the State of Alaska held a lease auction for 86 lease tracts; successfully leasing a total of about 23,000 acres for Offshore Nome Mining. This lease sale was in response to an increase in public interest in Offshore Mining at the time, and the State's Final Decision that it was in the best interest for the people to offer the proposed area to competitive bidding.

Since then, 11 established lease tracts have become available, which we will offer for another lease sale in 2020. The lease tracts for the 2020 Nome Offshore Lease Sale will total about 1,060 acres and range in size from 34 acres to 375 acres.

Miners will be able to send their sealed bids to the State of Alaska, Anchorage Public Information Center starting on January 1, 2020 until February 28, 2020. The 2020 Nome Lease Sale will be a sealed bid process, with a live, open to the public reading of the sealed bids on March 23, 2020. The sale is open to all those who meet the eligibility requirements laid out in the Statement of Qualifications provided in our informational booklet found on our website at <http://dnr.alaska.gov/mlw/mining/nome/>.

We encourage all those interested in getting an Offshore Nome Mining Lease to use this booklet to educate themselves about the sealed bidding process and better understand a Lessee's and Miner's Responsibilities with the State of Alaska Mining Section's land managers.

Although this booklet has a lot of information in it, it is not all inclusive of what it takes to be an Offshore Mining Lessee. We encourage you to ask questions, seek out additional resources on other information like upland access to the tracts, the Coast Guard's requirements for boats and barges, the State of Alaska's Department of Revenue's Mining License Tax, etc. to fully comprehend what it takes to mine in Nome's offshore environment. If you do have questions, please do not hesitate to contact me, the 2020 Nome Offshore Lease Sale Coordinator.

We wish you the best of luck and hope to see your bid!

Very sincerely,

Heather Lescanec

*Geologist III
State of Alaska DNR
Mining Section, Mineral Property Management
Heather.lescanec@alaska.gov
907-269-8648*

State of Alaska
Department of Natural Resources
Division of Mining, Land and Water

Public Notice Under AS 38.05.945

2020 Nome Offshore Lease Sale for Locatable Minerals

In accordance with AS 38.05.035 and AS 38.05.250 in 2011, the State of Alaska Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) produced the Final Finding and Decision to hold an offshore lease sale for locatable minerals for tide and submerged lands offshore of Nome, Alaska. The conclusion of the finding and decision found that it was in the best interest for the State of Alaska and its residents to offer a portion of the proposed area for competitive bidding, providing time to monitor the environmental effects of mining and reserving portions of the sale area for possible future lease sales. As a result, 83 leases were offered for just over 23,000 acres of land. A total of 10 established leases and one modified lease with a total of about 1060 acres were never given or have since been terminated. Therefore, DNR will be having a lease sale for the already established offshore lease tracts that currently do not have a lessee. The proposed lease sale will include lands in the table listed below, and are referenced in our Land Administrative System (LAS) at: <http://dnr.alaska.gov/landrecords/>.

The 2020 Nome Lease Sale will be a sealed bid process, with a live, open to the public reading of the sealed bids on March 23, 2020. Miners will be able to make and send their sealed bids to the State of Alaska starting on January 1, 2020 until 5:00pm (AKST) on February 28, 2020. The minimum bid for each tract is indicated in in the bidding packet available on our website at: (<http://dnr.alaska.gov/mlw/mining/nome/>). Additional information including a map, bidder Statement of Qualifications, bidding instructions and forms, and lessee’s responsibilities are also available in the packet online.

Successful bidders in the lease sale will receive an offshore mining lease which grants exclusive right to the locatable minerals in the offshore leased boundaries on state-owned tide and submerged land. The lease tracts which range in size from 34 to 375 acres will be issued for a term of 10 years subject to renewal. Before mining operations are conducted on the leases, the operator or lessee will be required to acquire all necessary permits from the regulating agencies having jurisdiction.

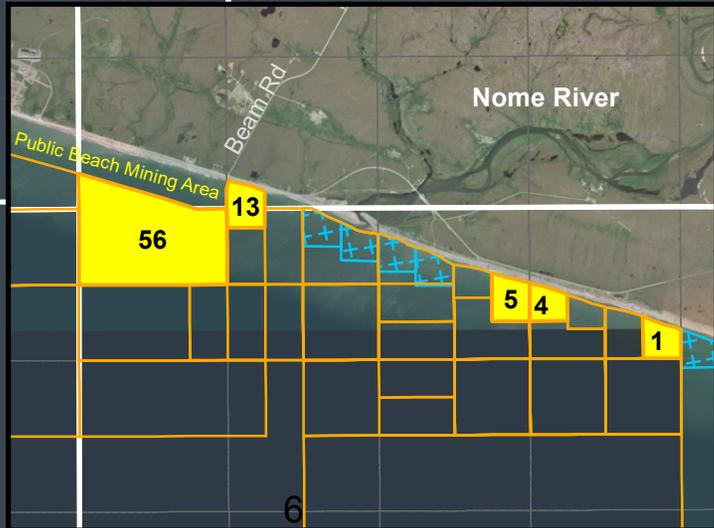
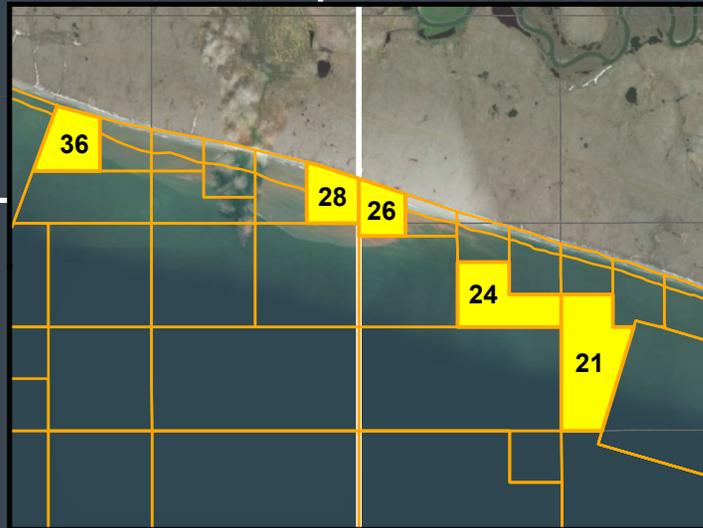
Tract	ADL	Acreage	Legal Description
1	603853	40	That portion of the E 1/2 SE 1/4 of Section 3, T12S, R33W, KRM that is below mean high water.
4	603056	36	Those portions of the NW 1/4 SW 1/4 and SW 1/4 NW 1/4 of Section 3 that are below mean high water, T12S, R33W, KRM.
5	603057	50	NE 1/4 SE 1/4, and those portions of the SE 1/4 NE 1/4 that are below mean high water, section 4, T12S, R33W, KRM.
13	603865	45	That portion of the SW 1/4 SW 1/4 section 32 below mean high water, T11S, R33W, KRM; N 1/2 NW 1/4 NW 1/4 section 5, T12S, R33W, KRM. Excluding East Nome Beach Public Mining Area
16	603868	201	That portion of the NW 1/4 excluding the Port of Nome and NE 1/4 of section 35 T11S, R34W, KRM that is below mean high water, containing approximately 201 acres.

21	603058	113	SW 1/4 excluding the East Offshore Mining Lease Tract of ADL 17867; S 1/2 SW 1/4 NW 1/4, S 1/2 S 1/2 N 1/2 SW 1/4 NW 1/4, section 29, T11S, R34W, KRM. Containing approximately 113 acres.
24	603059	75	SW 1/4 NE 1/4, S 1/2 S 1/2 NW 1/4 NE 1/4, S 1/2 SE 1/4 NE 1/4, S 1/2 S 1/2 N 1/2 SE 1/4 NE 1/4 section 30, T11S, R34W, KRM. Containing approximately 75 acres.
26	603060	34	That portion of the SW 1/4 SW 1/4 of section 19 below mean high water; N 1/2 N 1/2 NW 1/4 NW 1/4 section 30, T11S, R34W, KRM. Containing approximately 34 acres.
28	603880	41	That portion of the E 1/2 SE 1/4 section 24 below mean high water, T11S, R35W, KRM.
36	603888	50	That portion of the SW 1/4 NE 1/4 section 23 below mean high water and excluding the West Offshore Mining Lease Tract of ADL 17867; NW 1/4 SE 1/4 section 23 excluding the West Offshore Mining Lease Tract of ADL 17867; NE 1/4 SW 1/4 section 23 excluding the West Offshore Mining Lease Tract of ADL 17867, T11S, R35W, KRM.
56	603937	375	Kateel River Meridian, Township 11 South, Range 33 West, Section 31: S1/2 S1/2; Kateel River Meridian, Township 12 South, Range 33 West, Section 6: N1/2, excluding portions within the public beach mining area.

If you have any questions about the 2020 Nome Offshore Lease sale, please contact the Project Coordinator:

Heather Lescanec
Department of Natural Resources, Mining Section
550 West 7th Ave. Suite 900B
Anchorage, Alaska 99501-3577
(907) 269-8648
Heather.lescanec@alaska.gov

2020 NOME OFFSHORE LEASE SALE Tract Location Map



Tract	ADL
56	603937
1	603853
4	603056
5	603057
13	603865
16	603868
21	603058
24	603059
26	603060
28	603880
36	603888

Legend

- Offshore Lease
- Lease Sale Tracts
- Active Mining Claim
- Township Boundary
- Section Boundary

Map produced: November 2019



Lease Sale Tract Information

Tract	ADL	Acreage	Legal Description	Minimum Bid
1	603853	40	That portion of the E 1/2 SE 1/4 of Section 3, T12S, R33W, KRM that is below mean high water.	\$4,000.00
4*	603056	36	Those portions of the NW 1/4 SW 1/4 and SW 1/4 NW 1/4 of Section 3 that are below mean high water, T12S, R33W, KRM.	\$4,000.00
5*	603057	50	NE 1/4 SE 1/4, and those portions of the SE 1/4 NE 1/4 that are below mean high water, section 4, T12S, R33W, KRM.	\$5,000.00
13*	603865	45	That portion of the SW 1/4 SW 1/4 section 32 below mean high water, T11S, R33W, KRM; N 1/2 NW 1/4 NW 1/4 section 5, T12S, R33W, KRM. Excluding East Nome Beach Public Mining Area	\$4,000.00
16*	603868	201	That portion of the NW 1/4 excluding the Port of Nome and NE 1/4 of section 35 T11S, R34W, KRM that is below mean high water, containing approximately 201 acres.	\$12,000.00
21	603058	113	SW 1/4 excluding the East Offshore Mining Lease Tract of ADL 17867; S 1/2 SW 1/4 NW 1/4, S 1/2 S 1/2 N 1/2 SW 1/4 NW 1/4, section 29, T11S, R34W, KRM. Containing approximately 113 acres.	\$10,000.00
24	603059	75	SW 1/4 NE 1/4, S 1/2 S 1/2 NW 1/4 NE 1/4, S 1/2 SE 1/4 NE 1/4, S 1/2 S 1/2 N 1/2 SE 1/4 NE 1/4 section 30, T11S, R34W, KRM. Containing approximately 75 acres.	\$8,000.00
26	603060	34	That portion of the SW 1/4 SW 1/4 of section 19 below mean high water; N 1/2 N 1/2 NW 1/4 NW 1/4 section 30, T11S, R34W, KRM. Containing approximately 34 acres.	\$4,000.00
28	603880	41	That portion of the E 1/2 SE 1/4 section 24 below mean high water, T11S, R35W, KRM.	\$4,000.00
36	603888	50	That portion of the SW 1/4 NE 1/4 section 23 below mean high water and excluding the West Offshore Mining Lease Tract of ADL 17867; NW 1/4 SE 1/4 section 23 excluding the West Offshore Mining Lease Tract of ADL 17867; NE 1/4 SW 1/4 section 23 excluding the West Offshore Mining Lease Tract of ADL 17867, T11S, R35W, KRM.	\$5,000.00
56*	603937	375	Kateel River Meridian, Township 11 South, Range 33 West, Section 31: S1/2 S1/2; Kateel River Meridian, Township 12 South, Range 33 West, Section 6: N1/2, excluding portions within the public beach mining area.	\$10,000.00

*Due to the proximity that Lease Tracts 4, 5, 16, 13, and 56 have to the Nome Port and/or anadromous river mouths, they are subject to additional lease and permit stipulations regarding seasonal restrictions and/or restrictions on equipment. These restrictions were taken in consideration when determining the minimum bid amounts.

Before any mining may take place on any lease tracts, lessees and operators will be required to acquire all necessary permits from the regulating agencies having jurisdiction.



2020 Nome Offshore Lease Sale *Statement of Qualifications*

The State of Alaska Department of Natural Resources requires by law that certain qualifications be met before someone may apply for or hold a mineral lease on State lands. These qualifications are described in Alaska Statutes and Regulations at AS 38.05.190(a) and 11 AAC 82.200 – 11 AAC 82.205.

To simplify the process, the State of Alaska Department of Natural Resources has created a form to fill out to certify that the individual or business is qualified to conduct business in Alaska and may hold a mineral lease. Below is the form with instructions pertaining to Miner Qualifications.

Form Instructions

Who Must File:

Every individual, association or partnership, corporation, or person authorized to act behalf of another party must qualify with the Division of Mining, Land and Water. The following is a list of the information and documents required of any person wanting to acquire an interest in a mineral prospecting permit or lease on state lands.

Where to File:

Address or hand deliver any required information or inquiries regarding qualifications to:
Department of Natural Resources
Mineral Property Management
Attn: Heather Lescanec
550 W 7th Ave, Suite 900B
Anchorage, AK 99501-3577

If you are qualifying as an individual:

- Fill out the top portion of the Statement of Qualifications to Hold Mineral Prospecting Permits and Mineral Leases
- Check the appropriate box in both categories **A** and **B**, add your address and signature at the bottom of the form.

By submitting a signed, dated Statement of Qualifications to hold Mineral Prospecting Permits and Mineral Leases, an individual is certifying that:

- (A)** *he/she is at least 18 years of age (if qualifying to acquire locatable mineral interests, AS 38.05.190(a)), or is 18 years in Alaska, except for those who are automatically emancipated earlier by marriage or those emancipated by court order; and*
- (B)** *he/she is a citizen of the United States; or has filed a declaration of intention to become a citizen; or is a citizen of a country, dependency, colony, or province whose laws, customs and regulations allow U.S. citizens to acquire exploration and mining rights; or is an alien and entitled to acquire exploration and mining rights by virtue of a treaty between the U.S. and the nation or country of which the alien is a citizen. An individual who is not a U.S. citizen must supply necessary documentation to establish his/her intent to become a citizen or that his or her country, province, etc allows U.S. citizens to acquire exploration and mining rights. Legal representatives, guardians, or trustees for an individual must submit a certified copy of the court order authorizing them to act in that capacity and to fulfill, on behalf of the individual, all obligations arising under the lease or permit, and their signed statement as to the citizenship and age of the individual and themselves. Agents for an individual, must submit an original or certified copy of the power of attorney authorizing the agent to act on behalf of the individual.*



If you are qualifying as a corporation:

- Please fill out and sign the bottom half of the Statement of Qualifications to Hold Mineral Prospecting permits and Mineral Leases.
- The corporation must also submit:
 - (A) A list of individuals authorized to sign with respect to the mineral specified in the permit or lease; if any of those individuals are not current officers of the corporation, an original or certified copy of a notarized power of attorney authorizing them to sign on the corporation's behalf must also be submitted
 - (B) **One** of the following documents qualifying the corporation to do business in Alaska:
 1. Certificate of Compliance or Certificate of Good Standing - issued to a corporation already qualified to do business in Alaska. This document is issued upon request to prove good standing with the State.
 2. Certificate of Authority - issued to non-Alaskan corporations applying for the first time to do business in Alaska.

Information and applications for these certificates may be obtained from:

Department of Commerce, Community and Economic Development
Division Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, Alaska 99811-0806
(907) 465-2550

These certificates can be applied for online at:
<https://www.commerce.alaska.gov/web/cbpl/corporations.aspx>

If you are qualifying as a partnership or unincorporated association:

Please submit the following information:

- (A) A **separate** Statement of Qualifications to Hold Mineral Prospecting permits and Mineral leases for each partner or member of the association or partnership (outlined in the top part of these instructions). If some or all of the members are incorporated entities, all information required for corporations (described in the middle section of these instructions) must also be submitted
- (B) A statement describing the business relationship between the members of the association or partnership
- (C) In the case of an agent, an original or certified copy of a notarized power of attorney defining the agent's authority to sign with respect to the mineral specified in the permit or lease on behalf of the partnership or association.



**State of Alaska
Department of Natural Resources
Division of Mining, Land and Water
Statement of Qualifications
To Hold Mineral Prospecting Permits and Mineral Leases
(AS 38.05.190(a) and 11 AAC 82.200-.205)**

Please read the instructions on pages 2 and 3 carefully before filling out applicable portion.

INDIVIDUAL

I, _____,
(typed or printed name of signator)

hereby certify that:

- A. I am at least 18 years of age (if qualifying to acquire locatable mineral interests) or
 I have reached the age of majority [if qualifying to acquire coal interests]; and

- B. I am a U.S. citizen, or
 I have filed a declaration of intention to become a citizen, or,
 I am a citizen of a country, dependency, colony, or province whose laws, customs, and
 regulations allow U.S. citizens to acquire exploration and mining rights, or
 I am an alien entitled to acquire exploration and mining rights by virtue of a treaty between
 the United States and the nation or country of which I am a citizen or subject.

CORPORATION

I, _____,
(typed or printed name of signature)

representative for _____,
(Corporation name)

certify that the aforementioned corporation is organized under the laws of the United States and is qualified to conduct business in the State of Alaska.

Signed: _____ Date: _____

Title: _____

Mailing Address: _____

Phone #: _____



Sealed Bidding Instructions

HOW TO BID

Bidding forms are available in this brochure, on the DNR website at <http://dnr.alaska.gov/mlw/mining/nome/> and at the DNR Public Information Centers (PIC). You may make copies of the bidding forms.

Submitting a Sealed Bid by Mail or in Person

A complete Sealed-Bid Lease application package (for mailing or hand delivery to the Anchorage PIC only) must include the following items:

1. Completed Statement of Qualifications (see *Statement of Qualifications* form and instructions in this booklet)
 - a. This must be received in a separate sealed envelope so that Mining staff may open this before the sealed bid is opened on March 23, 2020 to check the applicant's eligibility. **Failure to separate the Statement of Qualifications from the sealed bid envelope may result in jeopardizing eligibility to own the lease.**
2. A completed Nome 2020 Offshore Lease Sale Bid Form
 - a. A separate bid form must be included for each bid submitted for each tract.
3. Bid Deposit
 - a. A separate bid deposit must be included for each bid submitted.
 - b. The bid deposit for each bid must be at least 5% of the given bid amount, check your calculations. **DO NOT ROUND DOWN!**
 - c. You must include payment information and authorization, payable to the State of Alaska, Department of Natural Resources.
DO NOT LEAVE YOUR CHECK OR PAYMENT BLANK! Two-party checks will not be accepted. Failure to address or submit your payment as directed may result in loss of all opportunity, right, and interest in the lease. If you wish to request a wire transfer, please contact the Project Coordinator for instructions. *DO NOT SEND CASH!*
 - d. Payment must be made in the form of a cashier's check, personal check, or money order. Wire transfers are also possible by request. **Credit Cards will not be accepted.**
4. A self-addressed, stamped envelope (SASE) to return the bid deposit for an unsuccessful bid submitted with a deposit made by cashier's check, personal check, or money order (see "*Refunds*" section of this brochure for more information). Unsuccessful bidders' deposits made by check without SASE will be destroyed after the auction.

Clearly Mark Bids for Sealed-Bid Auction

It is *your responsibility* to properly complete, mark, and submit your bid as instructed throughout this brochure. **Each bid submission must be received in a separate, sealed envelope. All bid materials are to be placed in a sealed, interior bid envelope marked as follows:**

1. Nome 2020 Offshore Lease Sale
2. Tract #



3. ADL #
4. Name of Bidder or Business Name for this submission
5. Bidder's or Business's Mailing Address
6. Bidder's or Business's Phone Number(s)
7. Bidder's or Business's Email Address

There should be no additional markings on the interior envelope.

Place the *sealed, interior* bid envelope and Statement of Qualifications inside a *sealed, exterior* delivery envelope for mailing or hand delivery. You may include more than one sealed, interior bid envelope within a single sealed, exterior delivery envelope, but **each sealed, interior bid envelope must contain ALL of the required information for that bid submission as detailed in the "Submitting a Sealed Bid by Mail or in Person" section of this booklet.**

The exterior, delivery envelope must be marked and addressed as described in the "Where to Submit Sealed Bids" section of this brochure with the words "*Nome 2020 Offshore Lease Sale- Sealed Bid Enclosed*".

Improperly or incompletely addressed or marked bid submissions risk being opened as general correspondence and such bids may be unintentionally divulged. Additionally, improperly or incompletely addressed or marked submissions for the Sealed-Bid Auction risk being excluded from consideration.

Where to Submit Sealed Bids

As described in the preceding "*Submitting a Sealed Bid by Mail or in Person*" section of this brochure, sealed bid envelope(s) must be enclosed in a separate exterior envelope for delivery. To submit a sealed bid by mail address the *exterior, delivery* envelope to:

Nome 2020 Offshore Lease Sale
Sealed Bid Enclosed
State of Alaska Department of Natural Resources
Public Information Center
550 W. 7th Ave. Suite 1360
Anchorage, AK 99501-3561

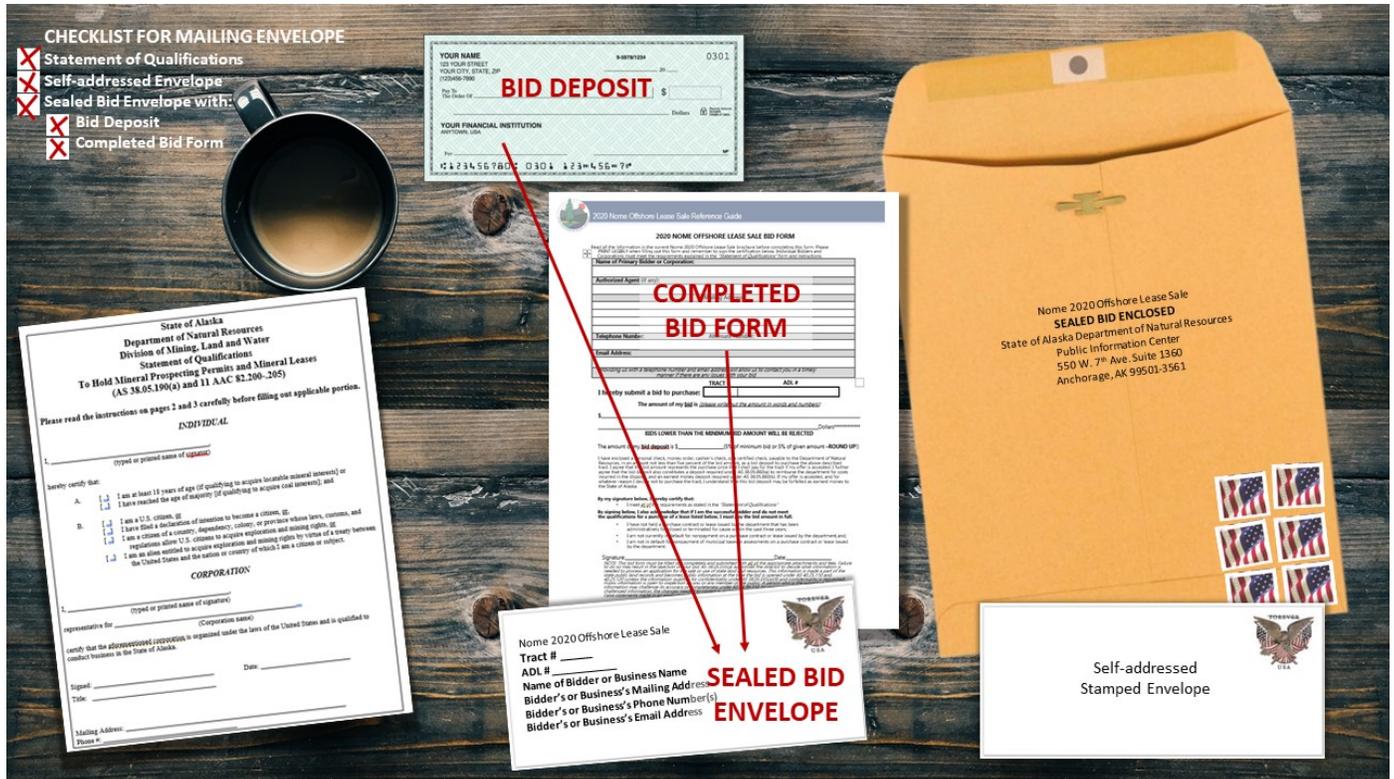
Please do not mail submissions to any other address, including other PIC offices.

Improperly or incompletely addressed or marked bid submissions risk being opened as general correspondence and such bids may be unintentionally divulged. Additionally, improperly or incompletely addressed or marked submissions for the Sealed-Bid Auction risk being excluded from consideration.

To submit a sealed bid in person by hand delivery, prepare a submission packet as described for mail submissions. Drop off your **sealed**, packet at the Anchorage DNR PIC at the address listed above. Be sure to include "**Nome 2020 Offshore Lease Sale- Sealed Bid Enclosed**" on the exterior of the sealed, delivery envelope. Improperly or incompletely addressed or marked bid submissions risk being opened as general correspondence and such bids may be unintentionally divulged. Additionally, improperly or incompletely addressed or marked submissions for the Sealed-Bid Auction risk being excluded from consideration.



Illustration of a Sealed Bid



SEALED-BID AUCTION PROCEDURES

It is your responsibility to complete and submit your Statement of Qualifications and bid as instructed throughout this brochure. All sealed bids must be properly addressed and marked as detailed in the "How to Bid" section of this brochure. Improperly or incompletely addressed or marked submissions for the Sealed-Bid Auction risk being excluded from consideration.

Minimum Bids

Tract	Alaska Division of Lands (ADL) #	Acreage	Minimum Bid
1	603853	40	\$4,000.00
4	603056	36	\$4,000.00
5	603057	50	\$5,000.00
13	603865	45	\$4,000.00
16	603868	201	\$12,000.00
21	603058	113	\$10,000.00



24	603059	75	\$8,000.00
26	603060	34	\$4,000.00
28	603880	41	\$4,000.00
36	603888	50	\$5,000.00
56	603937	375	\$10,000.00

Sealed-Bid Auction Bidding Period
 January 1 through February 28, 2020

Sealed-Bid Opening

March 23, 2020. The sealed-bid opening will be available for streaming at: <http://dnr.alaska.gov/mlw/mining/nome/>

Order of Sealed-Bid Opening Determined by Number of Bids Received for Each Tract

For the general Sealed-Bid Lease Sales, bids will be opened in an order determined by the number of bids received for each tract. The tract with the most bids will be opened first, the next highest number of bids second, etc. Where an equal number of bids are received for more than one tract, bids for the tract with the lowest tract number (not ADL number) will be opened first.

Apparent High Bidder

The bidder from whom the State received a valid bid submission with the highest bid amount will be named the apparent high bidder.

If there are two or more identical high bids for a tract, the apparent high bidder will be determined by the earliest DNR date received stamp on the bid envelope (not the postmark). If the date stamps are also identical, then the name of the successful bidder will be determined by a drawing.

Common Bidding Errors

Omissions of the following items are considered bid errors and will result in the rejection of a bid.

A bid form must:

1. Contain a valid bid amount. If the numeric amount is missing, illegible, or inconsistent with the written amount, the written amount prevails.
2. Contain a valid, legible tract number and ADL number.
3. Contain a valid signature.
4. Be received by the deadline.
5. Be submitted by an eligible bidder (see *Statement of Qualification* form and instructions).
6. Be accompanied by a bid deposit. The bid deposit must be at least 5% of the minimum bid amount for that tract number or 5% of your given bid amount. Bid deposits may be submitted by check, cashier's check, or money order. No credit cards will be acceptable.

Personal checks, cashier's checks, or money orders must:



- 1) Be valid.
- 2) Contain a signature that matches the name on the check.
- 3) Be made out to the "State of Alaska", "Department of Natural Resources", "Department of Revenue", or a recognizable abbreviation of such.

The Following Bid Errors May be Curable.

On a bid form:

1. A miscalculated deposit, up to \$100 less than 5% of the bid amount.
2. Miners are still responsible for the difference of the miscalculated deposit amount and must be paid within 5 calendar days. Otherwise, the bidder is at risk to forfeiting their bid.

On a check or money order:

1. If *only* a written or *only* a numeric amount is given, the amount that is given prevails.
2. If the written amount and numeric amount are inconsistent, the written amount prevails.

Refunds

In accordance with 11 AAC 67.007 *Application*, application fees and document handling fees are nonrefundable and will be retained by the State.

DNR will not refund the deposit money, up to a maximum of 5% of the total purchase value, from bidders or applicants who have chosen not to purchase the land, for any reason. The deposit amount in excess of 5% may be refunded.

All refund requests must be in writing and must clearly describe the circumstances and reasons for the refund and must be submitted prior to the issuance of a sale lease. Once a lease has been issued, a fee, deposit or any other payments on the account will not be refunded.

In the event that DNR withdraws a tract after a bid or application has been received, the deposit and document handling fee will be completely refunded. If a bid or application is submitted based on inaccurate information received from DNR and DNR agrees it's staff provided inaccurate information, the Department, in it's discretion, may refund deposit money or allow the deposit money to be applied to another tract purchase.

Sealed-Bid Auction Results

As the auction progresses, a list of results will be available online <http://dnr.alaska.gov/mlw/mining/nome/>.

During the week following the auction, apparent high bidders will be sent a certified *Award of Notification Letter*.

DNR must receive the following items from successful bidders by 10 days after



the receipt of *Award of Notification Letter*.

1. The appropriate document handling fee, which is \$600.00 for lease application processing (11 AAC 05.100, *Fees*).
2. The first year's rental amount.
3. Any other documents or items requested in the *Award Notification Letter*

If an apparent high bidder fails to comply with the requirements stated in this booklet and the *Award Notification Letter* by the deadline, their bid will be considered abandoned and they may forfeit all deposits and fees paid.

Failure to comply with these requirements does not prevent the apparent high bidder from bidding on another tract in subsequent lease sales.

Lease Sale Bidder Checklist

Check before you submit your bid! Does your bid package contain the following?

- Completed Statement of Qualifications in a separate envelope from your sealed bid and clearly marked
- Completed auction bid form
- Complete, valid bid deposit
 - Be sure to include a self-addressed, stamped envelope (SASE) if you would like your check or money order to be returned to you should you not be named the apparent high bidder.
- Are the bid form and payment sealed in a bid envelope and properly labeled with:
 - Tract number
 - ADL number
 - Bidder name
 - Bidder Address
 - Bidder phone number
- Has the bid envelope been enclosed in an outer envelope for mail or hand delivery?

If you can check the boxes above, your bid is ready to be submitted!

All bids should be mailed to:

State of Alaska
Department of Natural Resources
Public Information Center
Attn: Nome 2020 Offshore Lease Sale
550 W. 7th Ave. Suite 1360
Anchorage, AK 99501-3651



2020 NOME OFFSHORE LEASE SALE BID FORM

Read all the information in the current Nome 2020 Offshore Lease Sale brochure before completing this form. Please PRINT LEGIBLY when filling out this form and remember to sign the certification below. Individual Bidders and Corporations must meet the requirements explained in the "Statement of Qualifications" form and instructions.

Name of Primary Bidder or Corporation:
Authorized Agent (if any):
Mailing Address:
Telephone Number: Alternate Number:
Email Address:
*providing us with a telephone number and email address will allow us to contact you in a timely manner if there are any issues with your bid

I hereby submit a bid to purchase: [TRACT #] [ADL #]

The amount of my bid is (please write out the amount in words and numbers):

\$ _____ Dollars*****

BIDS LOWER THAN THE MINIMUM BID AMOUNT WILL BE REJECTED

The amount of my bid deposit is \$ _____ (5% of minimum bid or 5% of given amount -ROUND UP!)

I have enclosed a personal check, money order, cashier's check, or a certified check, payable to the Department of Natural Resources, in an amount not less than five percent of the bid amount, as a bid deposit to purchase the above described tract. I agree that the bid amount represents the purchase price that I shall pay for the tract if my offer is accepted. I further agree that the bid deposit also constitutes a deposit required under AS 38.05.860(a) to reimburse the department for costs incurred in the disposal, and an earnest money deposit required under AS 38.05.860(b). If my offer is accepted, and for whatever reason I decide not to purchase the tract, I understand that this bid deposit may be forfeited as earnest money to the State of Alaska.

By my signature below, I hereby certify that:

- I meet all of the requirements as stated in the "Statement of Qualifications"

By signing below, I also acknowledge that if I am the successful bidder and do not meet the qualifications for a purchase of a lease listed below, I must pay the bid amount in full.

- I have not held a purchase contract or lease issued by the department that has been administratively foreclosed or terminated for cause within the past three years;
I am not currently in default for nonpayment on a purchase contract or lease issued by the department, and;
I am not in default for nonpayment of municipal taxes or assessments on a purchase contract or lease issued by the department.

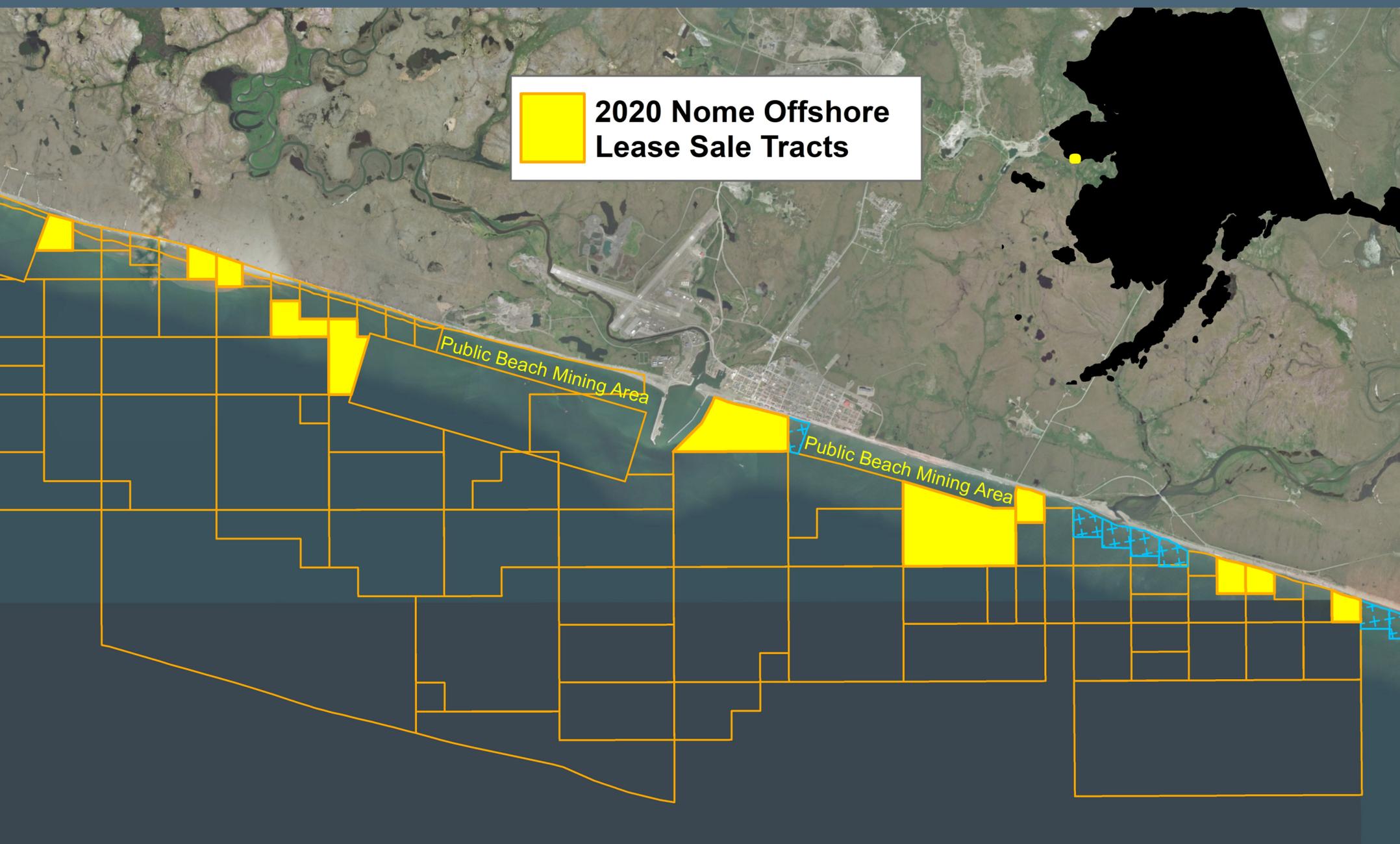
Signature: _____ Date: _____

NOTE: This bid form must be filled out completely and submitted with all the appropriate attachments and fees. Failure to do so may result in the rejection of your bid. AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made a part of the state public land records and becomes public information at the time the bid is opened under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) and confidentiality is requested). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.



Alaska Department of Natural Resources
Division of Mining, Land and Water

2020 NOME OFFSHORE LEASE SALE



JANUARY 1 - FEBRUARY 1, 2020

*-Bids accepted **ONLY** by mail or in person through the DNR Public Information Center in Anchorage-*

State of Alaska
Department of Natural Resources
Public Information Center
Attn: Nome 2020 Offshore Lease Sale
550 W. 7th Avenue Suite 1360
Anchorage, AK 99501-3651

Watch LIVE reading of bids!

March 23, 2020

Anchorage DNR
Public Information Center
550 W. 7th Ave, Ste. 1360
10:00 am



2020

NOME OFFSHORE LEASE SALE

Contact:

Heather Lescanec

(907) 269-8648

heather.lescanec@alaska.gov

Mineral Property Management

550 W. 7th Ave., Ste. 900B
Anchorage, AK 99501-3577
(907) 269-8642
dnr.dmlw.mpm@alaska.gov

DNR Public Information Centers

Anchorage

550 W. 7th, Ste. 1360
(907) 269-8400
dnr.pic@alaska.gov

Fairbanks

3700 Airport Way
(907) 451-2705
fbx-pic@alaska.gov

Miner Responsibilities

INFORMATION PACKET

ANNUAL RENT



ANNUAL LABOR



PRODUCTION ROYALTIES



GENERALLY ALLOWED USE (GAU)



DREDGING IN NOME



APMA

APPLICATION FOR PERMITS TO MINE IN ALASKA



LEASE EXAMPLE





Background:

In 1989, the State of Alaska enacted a mineral location **Annual Rental Law**, Alaska Statute 38.05.211, which requires locators and holders of State mining locations to pay an annual cash rental. The Annual Rental requirement applies to mining claims, leasehold locations, upland mining leases, offshore mining leases and prospecting sites on State land. Department regulations 11 AAC 86.215(f), 11 AAC 86.221, 11 AAC 86.260, 11 AAC 86.265, 11 AAC 86.313, and 11 AAC 86.422 identify how rental payments will be made. Please consult these regulations for specific requirements.

What is the Annual Rental requirement?

For **Prospecting Sites**, there is a **one-time rental** payment requirement of **\$305** which covers the **two-year term** of the site. For **MTRSC Locations, Traditional Mining Claims, Leasehold Locations and Leases**, the **Annual Rental Fees** are identified below:

Annual Rental for Each Location

(11 AAC 86.221(b))

Number of Years for Location	Quarter-Section Size MTRSC Location (160 Acres)	Quarter-Quarter Section MTRSC Location (40 Acres)	Traditional Mining Claim or Leasehold Location	Date Due
Year 1 <i>Day 1 - September 1st of Mining Year Location Is Staked</i>	\$165	\$40	\$40	45 Days From Posting Location
2 - 5	\$165	\$40	\$40	September 1 st
6 - 10	\$330	\$85	\$85	September 1 st
11 or More	\$825	\$205	\$205	September 1 st

Annual Rental for Each Lease

(11 AAC 86.313(c))

Number of Years of Lease	Rental Amount Per Acre for Mining Lease	Date Due
Year 1 <i>Day 1 - September 1st of Mining Year Lease Inception</i>	\$1.03	45 Days From Lease Inception
2 - 5	\$1.03	September 1 st
6 - 10	\$2.06	September 1 st
11 or More	\$5.16	September 1 st

When are rental payments due and when does the Annual Rental year begin and end?

The Annual Rental year follows the **“Mining Year”, which begins and ends on September 1st at noon**. It does not follow the calendar year. The first Annual Rental payment must be paid within 45 days of posting a new location pursuant to 11 AAC 86.215. This payment covers your rental until noon of the following September 1st. Rent is paid in advance so as of the September 1st following the date of posting the location, another rental payment is due, and must be paid within 90 days of that September 1st. **Depending on when you stake your claim or initiate your lease, you may incur two rental payments within the same calendar year. Rental payments are not pro-rated.**

Subsequent Annual Rental payments are based on the Annual Rental year and are due September 1st and must be paid within 90 days afterward (usually November 30th). The penalty for failure to make a timely payment is forfeiture (abandonment) of the location, except in the case of a lease, in which case the lease is deemed in default.

How is the first rental payment made on a new location? (Staked within the last 45 days)

The locator of a new mining location can pay the first rental payment in two ways. The first rental payment can be made at the recording district office at the same time the location certificate (notice) is submitted for recording, or the locator may pay the first rental at a DNR Public Information Center. If rent is paid at the time of recording, the locator **must complete and submit the required rental calculation worksheet** with the claim(s) being recorded so the required rental can be timely credited to the locations. The number of claims shown on the worksheet must equal the number of documents submitted for recording. **If the required worksheet is not attached or is not completed, the required rental payment cannot be posted to the newly recorded location(s) resulting in the recorded location(s) becoming forfeited (abandoned).** For worksheet assistance, or to cure rental deficiencies, contact one of the Public Information Offices listed below.

When will I be billed for a new mining claim?

You may not receive a bill for the first rental payment due within 45 days of posting your new location(s). Due to processing time, new locations recorded between July 1st – August 31st may not be included on the September courtesy rental bill for the following rental year. **Your first payment will only cover the rent due from the date your claim is located to September 1st. It is in your best interest to pay two years of Annual Rent when you record new mining claims staked over the summer to ensure your claims are not abandoned for failure to pay annual rent for the next mining year.**

How are subsequent rental payments made?

The Department will attempt to mail each locator a Courtesy Bill that lists all active ADL Numbers and claim names shown in their name in September. It is a miner’s responsibility to make sure Annual Rent is paid for all claims. A copy of the Department’s Courtesy Bill or a letter that identifies the Bill Numbers and ADL Numbers that are being paid for must be included with your payment.

Cross out claims on the Courtesy Bill that are not being paid for. DO NOT ADD ADL NUMBERS TO A BILL! Payments may be paid according to either the Bill Number or the ADL Number. This will ensure your payments are being properly credited. Claims that you cross off the Courtesy Bill are **not** credited and will be **abandoned** by operation of law (AS 38.05.265) on December 1st of that rental year.

Payments must be received no later than November 30th each year. Payments may be made online, via mail, or in person at one of the **Public Information Centers (PIC)**. Online payments may be made at: <https://dnr.alaska.gov/ccpayments/index.cfm> until November 30th. **Beginning December 1st** payments must be made via **mail, in person or by phone at PIC**

Send Payment Via Mail To:	Pay In Person or Phone at Anchorage PIC:	Pay In Person or Phone at Fairbanks PIC:
Department of Natural Resources Support Services Division 550 West 7th Ave, Suite 1410 Anchorage, AK 99501-3561 Attention: Financial Services	Department of Natural Resources Public Information Center 550 West 7th Ave., Suite 1260 Anchorage, Alaska 99501-3557 Monday thru Friday / 10:00 AM to 5:00 PM (907) 269-8400 TDD: (907) 269-8411	Department of Natural Resources Public Information Center 3700 Airport Way Fairbanks, Alaska 99709-4699 Monday thru Friday / 10:00 AM to 5:00 PM (907) 451-2705 TDD (907) 451-2770

What are the Annual Rental requirements for locations on State-Selected land?

Locations made on State-selected land do not require rental payments until the State receives conveyance of the land from the federal government. **PLEASE NOTE: The first rental payment must be paid within 90 days of the Date of Conveyance** pursuant to 11 AAC 86.215 or the claim will be closed. Your first rental payment only covers the period from the Date of Conveyance to the September 1st immediately following the conveyance. You may make a **non-refundable deposit** for the first rental on State-selected claims that will be credited to your first Annual Rental payment if the State receives conveyance of the selection. This will cover your first year of annual rent upon conveyance. The payment can be made at all locations listed above. However, there are risks. Please consult the Fact Sheet *“Mining on State-Selected Land”* for more information. Depending on when the land is conveyed to the State, you may incur **two rental payments** within the same calendar year.

What happens if the rental payment is late?

Late payments result in claims being considered abandoned under Alaska Statute 38.05.265. If you would like to cure your abandonment, you must pay a penalty equal to the annual rent for the mining claim or leasehold location that was abandoned. Late payments, are only refunded if the Department receives a written request for the refund within 90 days after the date of payment.

If a rental payment is timely submitted to the department, but the payment is less than the amount due, a deficiency notice will be issued and the locator will have 30 days from receipt of the notice to make the required payment in full. If full payment is received within 30 days, no penalty will be applied. If full payment is not received, the location(s) will be deemed abandoned. If you would like to cure your abandonment of the claims, you must pay a penalty equal to the annual rent in addition to the deficiency.

If another person has located a mining claim or leasehold location that includes all or part of your location during the period of the abandonment, your location cannot be cured. A locator of an abandoned location or a successor in interest may **not** relocate the location until **one year** after abandonment. Please consult the Fact Sheet on *“Abandonment of a Mining Location and Options Available Under the Law”* for more information.

Who should I contact if I have further questions:

Further information can be obtained at either of Public Information Center offices listed above.



Background:

The performance of annual labor and recording of a statement or affidavit of annual labor are required for all mining claims, leasehold locations and mining leases under state law AS 38.05.210. During the labor year, or within 90 days of the close of the labor year (September 1st), the owner of the mining claim, leasehold location, or mining lease or other person having knowledge of the facts must record an affidavit describing the labor or improvements made during the annual labor year (including any labor in excess of the requirement for that year or cash payments).

If an affidavit of annual labor is not recorded timely within the recording district where the mining claim, leasehold location or lease is situated or does not set out the essential facts required under state regulation 11 AAC 86.220, the mining claim(s) and leasehold location(s) are subject to abandonment under state law AS 38.05.265 and mining lease will enter into default.

What is an Annual Labor Year?

Except for locations on State-selected land (see below), the first labor year begins on **September 1st at noon**, following the location posting date or initiation of the lease. Thereafter, each **Annual Labor Year begins and ends at noon on September 1st**.

What are annual labor requirements for state mining claims, leasehold locations, and leases?

Affidavits of Annual Labor become due on September 1st and must be recorded within 90 days in the recording district where the mining claims, leasehold locations or leases are situated. The minimum amount of labor that must be performed depends on the size of the mining location. For each traditional, fractional and ¼-¼ section MTRSC location, a minimum of \$100 worth of work is necessary. For each ¼ section MTRSC location, a minimum of \$400 worth of work is necessary. For mining leases, \$100 per partial or whole 40 acres is required.

What information must be included on the affidavit of annual labor?

Under state regulation 11 AAC 86.220 the affidavit **must** be signed, dated, notarized, and recorded in the recording district where the mining claim, leasehold location or lease is located. The affidavit **MUST** contain the following essential facts:

- (1) the name or number of the mining claim, leasehold location, or mining lease;
- (2) every meridian, township, range, and section in which the location or locations are situated, and the recording district in which it is located;
- (3) the name and current mailing address of each owner;
- (4) the dates of performance of the labor and the character and value of the improvements made or labor performed, or the amount of cash payment made instead of annual labor; and
- (5) the value of excess work to be applied from previous years. (Please include the year in which the work was performed).

To ensure that you include all of the essential facts, please use the State Annual Labor form and fill it out completely. You may attach additional sheets if needed for any required information. An affidavit that does not set out the essential facts will be considered void under the state Abandonment Law AS 38.05.265.

What do I do with the affidavit once it is completed?

After the affidavit is completed, signed, dated, and notarized, record the document in the recording district where the mining claim, leasehold location or lease is situated. The document may be recorded in person or mailed to the Recorders Office. **You must include a check or credit card authorization for the required recording fees.** To authorize the use of a credit card, please include your credit card information with instructions to “charge this credit card the appropriate amount to record the enclosed documents”. Please see the following State websites for Recording information: www.dnr.alaska.gov/ssd/recoff/distlist.cfm (district list) www.dnr.alaska.gov/ssd/recoff/fees_RO.cfm (for fees). **Failure to timely record the affidavit will constitute an abandonment of all rights acquired for the mining claim or leasehold location under the state Abandonment law AS 38.05.265.**

Can an affidavit of annual labor be amended?

Maybe. When there are no errors in the essential facts, an affidavit may be amended within two years of the date that the affidavit was required to be recorded under state law AS 38.05.210. Any additional labor claimed on an amended affidavit, may not be used to fulfill labor requirements in subsequent years. An affidavit that does not accurately set out the essential facts required in 11 AAC 86.220 (above), is void and may not be amended.

How do I determine what my labor is worth?

The value assigned to labor performed must be reasonable and appropriate to the type of work that was performed. For hand labor, the Division of Mining, Land and Water (DMLW), suggests the value of \$200 per laborer working a 10-hour day, but recognizes that wage variations may occur. The value of equipment utilized for mining or development purposes on the location or lease is equal to the current rental rates charged for that type of equipment.

Can I claim the cost of staking my location as annual labor on my affidavit?

No. The cost of work involved in the staking and recording of your location is not considered as annual labor. Only the labor performed **after** the discovery, posting and recording of the location certificate may be considered.

Is the work I perform before the beginning of my first labor year acceptable as annual labor?

Although no annual labor is required between the posting and recording of the location and the immediate September 1st, DMLW does recommend and accept annual labor affidavits for the first labor year so the amount may be credited towards annual labor requirements for the subsequent year(s). ***The first labor year affidavit of annual labor must be timely recorded in order to be used as credit in a later year.***

Can I claim the value of work that I perform in excess of the amount required?

Yes. If more than the required minimum annual labor is performed in any one year, the excess value may be carried forward and applied towards labor requirements for up to four subsequent years. In order to receive credit for excess labor, the description and value of the labor must have been included on the affidavit filed for the year in which the excess work is performed. ***The affidavit must be timely recorded in order to apply the excess labor credit towards the annual labor requirement due.***

Do I need a permit before beginning annual labor?

You are required to obtain a permit or an approved plan of operations from the Alaska Department of Natural Resources (ADNR), and any other applicable State or Federal agencies before conducting mining activities or mining site development that are not allowed as a Generally Allowed Use under state regulations 11 AAC 96.020 – 025. You may not store equipment on or transport equipment across state land to your mining claim, leasehold location, or lease until you have obtained a permit. Please consult the fact sheets for “*Generally Allowed Uses*” and “*Structures on Mining Locations*”. Note: Contact the Alaska Department of Fish & Game and Department of Environmental Conservation before any suction dredging activities.

What type of work qualifies as annual labor?

To determine what labor or improvements qualify as annual labor, consider whether the costs or activities developed, benefited, or facilitated the extraction of ore from each location. See state regulation 11 AAC 86.220 (Annual Labor).

Examples of qualifying labor and improvements are:

- Prospecting work to develop and expand an established discovery.
- Costs directly associated with the production of ore.
- Reasonable value of the use of equipment for mining or development purposes on the location. Repairs of equipment used for prospecting, sampling, or production of minerals.
 - **NOTE:** *The equipment must have been on site at the location during the assessment year for repairs to be acceptable for annual labor, although the actual repairs may have been performed elsewhere.*
- Geochemical, geological, geophysical, or airborne surveys if conducted by qualified experts and verified by a detailed report filed in the recording district office in which the claim is located, as described under AS 38.05.240.
 - **NOTE:** *Airborne surveys may not be applied as labor for more than two consecutive years or for more than a total of five years on any one location, and each of those surveys must be non-repetitive.*
 - Environmental feasibility assessments may qualify if conducted by qualified experts.

Examples of qualifying labor activities that require a permit include but are not limited to:

- Drilling greater than 300', excavating, including ore extraction or other material.
- The cost of setting up a drill rig on a location.
- Development work towards an actual mine, such as shafts, tunnels, inclines, crosscuts and drifts, settling ponds and dams.
- Bringing water for direct mining or milling purposes.
- Clearing of brush, timber, debris, or overburden where necessary to facilitate the extraction or processing of minerals.
- Construction of trails, roads, or landing strips to provide access to claims.
- Construction costs for worker housing, mills and equipment storage buildings.
- ***REMINDER: Development and construction must be pre-approved in a plan of operation, and necessary for the development of the mineral deposit and only be used during periods of mining or development.***

What type of work does NOT qualify as annual labor?

- Transportation of workers or equipment to or from the location does not qualify as annual labor.
- Watchman services for warding off “trespassers” or to prevent over-staking.
- Maintenance work such as brushing or marking the lines and replacing corner posts or location notices, is not considered annual labor. These are duties that State law imposes on the claimant in addition to the Annual Requirement.

Can I apply my annual labor work to adjacent mining claims?

Yes. Annual labor work conducted on a claim or mining lease may be applied to all **adjacent** claims or leases that are owned by the same claim or lease holder(s) if the work developed or benefited all claims. State regulation 11 AAC 88.185 defines “adjacent” to mean touching or lying in close proximity. If the mining claims, leasehold locations or leases are not adjacent, separate affidavits must be recorded.

Can I make a cash payment instead of performing annual labor?

Yes. The holder of a mining claim, leasehold location, or mining lease may make a cash-in-lieu payment to the State equal to the value of labor required (\$100 or \$400 per claim or \$100 per each partial or whole 40 acres for a lease). **Payment must be made in person or mailed (postmarked) by September 1st, during the Annual Labor year** and may be made for up to five consecutive years before labor must be performed again.

A cash-in-lieu payment will only be accepted for one labor year at a time. The cash payment must be described on the recorded affidavit of annual labor. DMLW recommends that locators record their affidavit on the same date of the payment.

If a miner fails to make a payment in lieu of labor before September 1st and there is no excess labor available from past years, the claim is abandoned effective September 1st. A locator may attempt to cure the abandonment by making a late cash payment, properly recording an affidavit of annual labor, and paying a penalty equal to the annual rent owed for the abandoned claim.

Under the state abandonment law, AS 38.05.265, a claim can only be reinstated if there are no overlapping locations. There is a 50 – 60 day waiting period prior for full reinstatement because under AS 38.05.195 and 11 AAC 86.215, a locator has 45 days from the date of posting a location notice in the field to record the location certificate and pay their first annual rental payment.

The reinstate waiting period begins **after** all obligations have been met.

What are the labor requirements for locations on State-selected land?

Annual labor is not due on locations made on State-selected land until the State receives conveyance of the land from the federal government either through Tentative Approval (TA) or Patent, whichever occurs first under state regulation 11 AAC 86.115 for Locations on State-Selected Land. The first labor year begins at noon on the first September 1st after the federal government conveys the land.

What happens if I record my annual labor late?

Late recording results in the abandonment of the claims under Alaska Statute 38.05.265. You may attempt to cure the abandonment by properly recording the annual labor affidavit and paying a penalty equal to the annual rent for the mining claim or leasehold location that was abandoned. The reinstate waiting period begins **after** all obligations have been met.

If another person has located a mining location that includes all or part of your location, your location **cannot** be cured. A locator of an abandoned location or a successor in interest may **not** relocate the location until **one year** after abandonment. Please consult the Fact Sheet on “*Abandonment of a Mining Location and Options Available Under the Law*” for more information.

For answers to questions not covered in the Fact Sheet please contact a Public Information Center:

Anchorage Public Information Center

Department of Natural Resources
Public Information Center
550 West 7th Ave., Suite 1260
Anchorage, Alaska 99501-3557
Monday thru Friday / 10:00 AM to 5:00 PM
(907) 269-8400 TDD: (907) 269-8411

Fairbanks Public Information Center

Department of Natural Resources
Public Information Center
3700 Airport Way,
Fairbanks Alaska 99709-4699
Monday thru Friday / 10:00 AM to 5:00 PM
(907) 451-2705 TDD (907) 451-2770



AFFIDAVIT OF ANNUAL LABOR FOR MINING

Failure to timely complete and record an affidavit will result in abandonment under AS 38.05.265. Failure to include all required essential facts will result in abandonment. The essential facts are:

- 1. The name or number of all mining claims, leasehold locations, or mining leases being reported.
2. Every meridian, township, range, and section (MTRS) where they are situated and the recording districts.
3. The name and current mailing address of every owner.
4. The dates of labor performance until 9/1, a description of the labor, and the value of the labor performed.
5. The amount of cash paid made instead of annual labor (must be paid by 9/1)
6. The value of excess work to be applied from the previous 4 years.

Attach and Record additional pages as needed for all essential fact information to avoid abandonment.

A. Mining Affidavit Year

1. Mining Year Ending 12:00 PM September 1, 20

C. Owner Name & Address (Return Documents)

- 1. Owner Name:
2. Current Address:
3. City, State, Zip:
4. Is this your current address? Yes No

E. Location/Lease ADL No(s) (Index ADL Grantee)

Table with 2 columns: ADL No.(s), Name. Rows 1-4.

B. Recording Information (Index MI Mining)

1. Recording District:

D. Co-Owner(s) Name(s) & Address(es)

- 1. Co-Owner Name:
2. Current Address:
3. City, State, Zip:
4. Is this their current address? Yes No

F. Location/Lease Legal Descriptions - MTRS

Table with 4 columns: Meridian, Township, Range, Section(s). Rows 1-4.

Do not include labor performed after the end of this affidavits labor year to avoid abandonment.

G. Labor performance dates during mining year (Mo/Day/Yr): (mining year is from 9/1/(previous year) to 9/1/(year listed in block A.))

H. Labor Description:

I. Labor Value REQUIRED (AS 38.05.210)

\$100 per partial & whole 40 Acre Location or Lease
\$400 per 160 Acre MTRSC Location

Table with 4 columns: Size, Amt., Value, Subtotal. Rows for 40 Acre and 160 Acre, and Total Value Required this Year.

J. Calculate Labor Values Available to APPLY

Table with 2 columns: Description, Value. Rows for New Labor, Cash in Lieu, Past 4 Years Excess, Total All Available Values, and Your Value to Apply.

K. Oaths I, (Print Affiant Name) swear under penalty of perjury that the foregoing is true.

(Sign Affiant Name) This Day of, 20 Signature of Notary: My commission expires: NOTARY BLOCK The foregoing Affidavit of Annual Labor was subscribed and sworn before me on

PLEASE DO NOT RECORD THIS PAGE

INSTRUCTIONS FOR USE/COMPLETION OF AFFIDAVIT OF ANNUAL LABOR FOR MINING FORM

This Affidavit for Annual Labor for Mining Form reflects the required information under AS 27.10.150 – 240, AS 38.05.210 – 242 and 11 AAC 86.220 and may be used to fulfill the State of Alaska’s statutory and regulatory requirements for recording annual labor on state mining claims, leasehold locations, and leases. Please use the Affidavit of Annual Labor form and fill it out completely.

Failure to timely record and provide the essential facts required by regulation on an Affidavit of Annual Labor within 90 Days of the end of the Labor Year (November 30th) will result in automatic Abandonment of the claim(s) or leasehold location(s) by operation of state law (AS 38.05.265). The lease(s) may be placed in default. The Affidavit must be timely recorded within the Recording District where the location, leasehold location, or lease is situated.

GENERAL INFORMATION:

1. The terms “**claim**” and “**location**” on this form and instructions mean both mining claims and leasehold locations.
2. If there is not enough space on the affidavit of annual labor form for the required information for all your mining locations, you must include that information on additional page(s) and record it with your affidavit.
3. The Affidavit of Annual Labor may be filled out by the owner of a claim/leasehold location or by a person having knowledge of the facts.
4. **Every claim/leasehold location owner and co-owner or leaseholder must be listed on the affidavit. You must attach additional pages for multiple co-owners. Failure to list all owners constitutes abandonment or default.**
5. The labor year begins at noon on the September 1 after the date the notice of location was posted and ends at noon on the September 1 of the following year. For example:
 - If a claim/ leasehold location is located on June 30, 2017, the first labor year began 9/1/2017 and ended 9/1/2018.
6. Alaska statutes allow miners on state claims/leasehold locations and leases to carry forward the value of excess value of work for up to **four** subsequent years.
7. An affidavit of annual labor must be timely and properly recorded each year under state law AS 38.05.210, including years that excess labor is applied or cash in lieu is paid.
8. If you have questions, contact the Public Information Center at 269-8400 in Anchorage, 451-2705 in Fairbanks.

ANNUAL LABOR AND REQUIREMENTS

Under **AS 38.210(a)**, the cash amount required if cash were paid in lieu of performing labor is equal to the Required Value of Labor

HOW TO CALCULATE AMOUNT REQUIRED VALUE

Multiply the Quantity of the Location or Lease Type by the Value to determine the Required Labor Value.

1. Mining Claim(s)/Leasehold Location(s)			
<u>Quantity of Location</u>	<u>Location Type and Size</u>	<u>Value Per Claim/Leasehold</u>	<u>Required Labor Value</u>
	MTRSC Qtr-Qtr (40 Acres) X	\$100 =	
	*MTRSC Qtr (160 Acres) X	\$400 =	
	Traditional Claim (1 – 40 Acres) X	\$100 =	
Total Required Labor Value: _____			

2. Mining Lease(s)				
<u>Quantity of Lease Type</u>	<u>Lease Type</u>	<u>Lease Acreage/40</u>	<u>Value Per 1-40 Acres</u>	<u>Required Labor Value</u>
	Offshore	X	\$100 =	
	Upland	X	\$100 =	
Total Required Labor Value: _____				

3. TOTAL AMOUNT REQUIRED VALUE OF LABOR
Add Totals from Box 1 and 2: _____

PLEASE DO NOT RECORD THIS PAGE

How to Fill Out the Affidavit of Annual Labor for Mining Form:

<p>A. Affidavit Year Indicate the year of affidavit that is being recorded in this section.</p> <p>1. Affidavit for Year Ending Noon September 1, of the labor year for which the affidavit is being recorded.</p> <ul style="list-style-type: none">• Write the labor year the affidavit is being recorded for.• This is the current year unless the affidavit is being recorded for a different year.
<p>B. Recording Information: The affidavit is required to be recorded in the Recording District in which the location(s) / lease(s) is situated under state law AS 38.05.210.</p> <p>1. Recording District: Identify the Recording District where the location(s) / lease(s) is situated.</p> <ul style="list-style-type: none">• If your location / lease is located across more than one recording district, an affidavit needs to be recorded in each recording that the mineral property is located in.• Remember to record additional pages for required information in each recording district.
<p>C. Owner Name and Address Information: The names and addresses of EVERY claim / leasehold location / lease owner must be listed on the affidavit. Attach & Record additional pages for Co-Owner Information.</p> <p>1. Owner Name: List the Owner Name(s).</p> <p>2. Current Address: Write the current mailing address for each Owner.</p> <p>3. City, Street, Zip: Include the City, State and Zip Code for each Owner.</p> <p>4. Is this your current address?: If this is the current address, check "Yes". If not, check "No".</p>
<p>D. Co-Owner Name and Address Information: The names and addresses of EVERY claim, leasehold location or lease co-owner must be listed on the affidavit or recorded as an additional page of the affidavit.</p> <p>1. Co-Owner Name: List the Owner Name(s).</p> <p>2. Current Address: Write the current mailing address for the Co-Owner.</p> <p>3. City, Street, Zip: Include the City, State and Zip Code for each Co-Owner.</p> <p>4. Is this your current address?: If this is the current address, check "Yes". If not, check "No".</p>
<p>E. Location or Lease Identification: All claims, leasehold locations and leases must be identified on a recorded affidavit annually under state law AS 38.05.210. This form allows for up to four (4) claims, leasehold locations or leases. Attach and record additional pages for all other claims, leasehold locations and leases being included in the affidavit.</p> <p>1-4. List the first four (4) state ADL Numbers, Names or Lease Tract Numbers that the affidavit is for.</p> <ul style="list-style-type: none">• List the ADL Numbers listed sequentially (for example: 111222, 111223, 111234 etc.).• You may include the location names or lease tract numbers.• The Recorder's Office only indexes 6 items at no charge, such as an owner, ADL Number or Claim Name.• You will be charged a fee to index additional owner names and ADL Numbers.
<p>F. Location & Lease Legal Descriptions – MTRS: List the Meridian, Township, Range and Section for every claim, leasehold location and lease on the affidavit as required under state regulation 11 AAC 86.220. This form allows for up to four (4) MTRS. Attach and record additional pages for all other legal descriptions (MTRS).</p> <p>1-4. List the first four (4) legal descriptions for the claims, leasehold locations or leases on the affidavit.</p> <ul style="list-style-type: none">○ The MTRS may be listed individually or grouped if multiple locations are included within the same Meridian, Township and Range. (Ex. Fairbanks 1N, 1W, sec. 7-10)
<p>G. Labor performance dates during mining:</p> <ul style="list-style-type: none">○ Write the dates or range of dates when labor was performed within the mining year in the form "(MM/DD/YYYY) to (MM/DD/YYYY)" Note: The assessment year ends on 9/1. If no labor was performed leave blank or N/A.
<p>H. Labor Description: Describe the labor performed and how it benefited all locations/leases listed on the affidavit.</p> <ul style="list-style-type: none">○ If labor was not performed, write "Cash in Lieu" or "Excess Labor" or "N/A".○ The Fact Sheet for Annual Labor provides examples of activities that qualify as annual labor. It is available at the Public Information Centers and online at: http://dnr.alaska.gov/mlw/factsht/mine_fs/annuala2017.pdf○ Provide details about the work to support the declared value on the affidavit; for example, "sunk shaft 10 feet," "stripped 150 cubic yards of overburden with D-6 cat to prepare for mining," "core drilling 150 feet," "sluiced 5000 cubic yards of gravel".○ Review Annual Labor requirements in AS 38.05.210 – 242 and 11 AAC 86.220 to verify that the description provided meets the statutory and regulatory requirements.<ul style="list-style-type: none">• Transportation of workers or equipment to or from the location / lease does not qualify as annual labor per state regulation 11 AAC 86.220(b).• Do not include transportation costs in the Declared Value of Labor.

PLEASE DO NOT RECORD THIS PAGE

- **Claim and leasehold location staking, posting, corner marking and the maintenance of claim posts and corner markers** are required under state law AS 38.05.195 and **not** considered as annual labor.
- Do **not** include costs associated with staking and maintenance in the Declared Value of Labor.
- **Do not include labor performed after the end of this affidavit's labor year to avoid abandonment.**
- **Inclusion of labor after the labor year ends makes the affidavit "inaccurate" and the affidavit will be void under AS 38.05.265**

I. Calculate Labor Value REQUIRED (AS 38.05.210). This section is provided for you to calculate the value of annual labor you are required to perform or pay, as required under the Annual Labor statute (AS 38.05.210). The amount of annual labor required is: *\$100 per partial & whole 40 Acre Location or Lease or \$400 per 160 Acre MTRSC Location.*

1. Write down the amount of traditional 40-acre claims and Qtr – Qtr section MTRSC claims you have. (For leases divide the total acreage by 40.) Multiple the amount by \$100.
2. Write down the amount of 160-acre MTRSC claims that you have.
Multiply the amount by \$100.
3. Add the subtotals for the two sizes of mineral properties together. This is the value required.

FOR EXAMPLE:

I. Labor Value REQUIRED (AS 38.05.210)			
<i>\$100 per partial & whole 40 Acre Location or Lease</i>			
<i>\$400 per 160 Acre MTRSC Location</i>			
Size	<u>Amt.</u>	Value	<u>Subtotal</u>
1. Amt. of 40 Acre:	<u>4</u>	X \$100 = \$	<u>400</u> +
2. Amt. of 160 Acre:	<u>2</u>	X \$400 = \$	<u>800</u> +
3. Total Value Required this Year:		\$	<u>1,200</u>

J. Calculate Labor Values Available to APPLY: This section is provided for you to calculate your available labor and to determine which values to be applied toward the Required Value for all the locations/listed on the affidavit under state law AS 38.05.210.

1. **Value of the new labor you performed this labor year** means the amount of labor you performed or the value of improvements you made to the mineral property during the reported labor year.
2. **Cash in Lieu Amount Paid by 9/1** means the amount of cash being paid in lieu of performing annual labor
 - **Cash in lieu may not be paid after 9/1.**
 - **If you pay Cash in Lieu after 9/1 your claims or leasehold locations will be abandoned by operation of law AS 38.05.265.**
 - "conflicting" locators (aka "junior" locators) may only pay cash in lieu unless provided an owner authorization from the senior locator.
3. The **Past 4 Years Excess Value** means the amount of excess labor you have available for the previous four years of annual labor.
4. The **Total of All Available Values** is the sum of all of the values you have available to apply.
5. The **Value to Apply** must be equal or greater than the Total Required Value.

FOR EXAMPLE

J. Calculate Labor Values Available to APPLY	
1. Value of the New Labor You Performed this Labor Year:	\$ <u>1,500</u> +
2. Cash in Lieu Amt Paid by 9/1:	\$ <u>0</u> +
3. Past 4 Years Excess Value:	\$ <u>0</u> +
4. Total All Available Values:	\$ <u>1,500</u>
5. The Value to Apply Is:	\$ <u>1,200</u>

Note: In this example, you would have \$300 excess labor available for the next labor year.

K. Oaths: An affidavit of annual labor must be signed by the affiant and notarized prior to recording pursuant to state regulation 11 AAC 86.220.

Consider e-Recording your affidavit!

For more information see the Alaska Department of Natural Resources Recorder's Office website:

<http://dnr.alaska.gov/ssd/recoff/eRecording>



Background

In 1989, the Alaska State Legislature enacted the PRODUCTION ROYALTY law, Alaska Statute 38.05.212, which requires holders of state mining locations to pay a production royalty on all revenues received from minerals produced on state land. The production royalty requirement applies to all revenues received from minerals produced from a state mining claim or mining lease during each calendar or fiscal year. Payment of royalty is in exchange for and to preserve the right to extract and possess the minerals produced. Department regulations 11 AAC 86.760-796 spell out the production royalty requirements. Please consult these regulations for specific requirements.

What is the production royalty requirement?

The production royalty is three percent (3%) of net income as determined under the Mining License Tax Law AS 43.65 and regulations 15 AAC 65.

When is a production royalty payment required, and how is it paid?

Filing of a production royalty return and payment of any royalty due is required for each calendar or fiscal year in which minerals, on state land, are produced, sold, exchanged, or removed from Alaska. Royalties received in kind are also subject to the production royalty regardless of whether they are sold or removed from the State.

In order to calculate the production royalty, a production royalty return must be prepared and submitted on the state Production Royalty Form available online at:

http://dnr.alaska.gov/mlw/forms/mining/royalty_fm.pdf

Completed returns and payments must be submitted to either:

Division of Mining, Land and Water
550 W 7th Ave, Suite 900B
Anchorage, AK 99501-3577

or

Division of Mining, Land and Water
3700 Airport Way
Fairbanks, AK 99709

New mining operations are NOT exempt from production royalty requirements. Production royalty returns and payments are due every year on or before May 1st for the preceding calendar year, unless the miner files the mining license tax on a fiscal year basis, then the production royalty is due within 4 months from the end of the fiscal year. Upon written request, the division may grant an extension of time to file a production royalty return and to pay the royalty payment. The written request must be received by the division no later than 10 days before the due date. An extension of time may not exceed 120 days, during which interest will accrue on the unpaid balance during the term of the extension.

Who must file a production royalty return and pay any required royalty?

A production royalty return must be filed and all required royalty payment must be made by anyone:

1. Owning, leasing, and operating a mining property;
2. Owning a mining property and receiving lease fees, royalty payments based on production, or a combination of lease fees and royalty payments from the property;
3. Leasing a mining property from another person and operating the property;
4. Possessing a mineral interest, whether an economic or production interest, in a producing property, including royalty, receiving lease fees, working or operating interests, net profits, overriding royalties, carried interests and production payments.

If there has been production on state land for any given calendar or fiscal year, what happens if a production royalty is not filed and any required royalty payment is not made?

Mining Claims

If a production royalty return is not filed or any required royalty payment is not made when due, then all mineral rights acquired under a mining claim are deemed abandoned to the state. A locator or a successor-in-interest of an abandoned claim may not relocate until one year after abandonment.

Mining Leases – Offshore and Upland

If the production royalty return is not filed or the required royalty is not paid for a lease when due, the lease is in default, and may be subject to termination if the lessee fails to cure the failure to file. A termination is considered an abandonment of the lease. A locator or a successor-in-interest of a terminated lease may not relocate a claim until one year after the termination.

Who is responsible for making sure all holders with interests in the mining claim or lease timely report and pay the full amount of the production royalties due?

The owner of record for a mining claim or lease, on the last day of the calendar or fiscal year, has the primary responsibility of assuring that all holders with interests in the mining claim or lease timely report and pays the full amount of the production royalties due. Should any interest holder, such as a lessee of a mining claim, fail to file and pay the production royalty when due, the claim or lease is subject to abandonment or default and termination.

Where can I get answers to questions not covered in this fact sheet, or assistance with filing the production royalty return?

Additional information may be obtained from the Division of Mining, Land & Water offices or from the regulations cited above. Specific assistance with filing the return may be obtained by visiting or calling the division's Anchorage office at (907) 269-8642.



**DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
PRODUCTION ROYALTY ON LOCATABLE MINERALS
AS 38.05.212**

DUE DATE:
Check *ONE* box and fill in the corresponding due date.

Calendar Year
May 1, _____

Fiscal Year
___/___/___

Additional Instructions on pages 3 and 4

Section A: Holder* Information			
<i>*"holder" defined in instructions and by 11 AAC 86.763</i>			
Name (Individual or Business)	Telephone Number (Including Area Code)	Email Address	
Mailing Address	City	State	Zip Code
Contact Name, Telephone Number, Email Address, and Mailing Address (if different than above)			
Check this box if this is a change of address. <input type="checkbox"/>			
Please select all that apply: <input type="checkbox"/> Owner <input type="checkbox"/> Operator <input type="checkbox"/> Other:			
List all APMA Number(s):			
List all Mining License Number(s):			

Section B: Locatable Minerals Produced			
Did you mine, exchange, sell, or remove from the State locatable minerals? (circle one)			
Yes		No	
<i>Complete the rest of Section B, and Sections D, E, and F</i>		Did you receive or pay royalties?	
		Yes	No
		<i>Complete the rest of Section B, and Sections D, E, and F</i>	
		<i>Complete Section C</i>	
List the claims and/or leases from which locatable minerals produced were sold, exchanged, or otherwise disposed of.			
ADL Number	% Royalty Attributed to Each	ADL Number	% Royalty Attributed to Each
1.		5.	
2.		6.	
3.		7.	
4.		8.	
Where were locatable minerals produced? (circle one)			
State Land only <i>(Includes Mental Health and University Lands) Complete Sections D, E, and F</i>	Non-State Land <i>Complete Section C</i>	State and Non-State Land Ensure you segregate your gross income, deductions, and expenses using one of the methodologies in 11 AAC 86.766 and provide a copy of the Alaska Mining License Tax form 04-662 or 04-662sf for mining on state land. <i>Complete Sections D, E, and F</i>	

Section C: Signature		
Signature of Holder or Agent (person who completed this return)	Title	Date
I declare under penalty of perjury that this return has been completed or examined by me, and to the best of my knowledge and belief, it is a true, correct, and a complete return.		

Section D: Royalty Calculations

ROYALTY RECEIVED from:

*Please attach additional pages if needed.

Did you **receive royalty** based on mineral production from a claim or lease holder? (circle one)

You received royalty if you received gold or cash from a claim or lease holder, based on locatable minerals produced. If needed, attach additional sheets.

Yes ← _____
Complete this section below

→ No
Proceed to section E

Holder Name			Mineral (cash equivalent) or Cash Received
Holder Mailing Address			
City	State	Zip Code	\$

ROYALTY PAID to:

Did you **pay royalty** based on mineral production to a claim or lease holder? (circle one)

You paid royalty if you paid gold or cash from a claim or lease holder, based on a percentage of locatable minerals produced. If needed, attach additional sheets

Yes ← _____
Complete this section below

→ No
Proceed to section E

Holder Name			Mineral (cash equivalent) or Cash Paid
Holder Mailing Address			
City	State	Zip Code	\$

PRODUCTION ROYALTY

1. Enter Net Income . If you filed Alaska Mining License Tax Return Form 04-662, then enter the amount from Schedule A, line 6. If you filed Alaska Mining License Tax Return Form 04-662SF then enter the amount from line 14.	\$
2. Multiply line 1 by 3% (0.03) (AS 38.05.212(b)(1), 11 AAC 86.760).	\$
3. Enter credit for annual rental paid on only those claims and leases listed in the "Claims and Leases" section (11 AAC 86.760(3)). This credit is for annual rental paid in the previous reporting period on a mining claim or lease from which locatable minerals were produced in the current reporting period; not the annual rental paid in the current reporting period. Only the holder who actually paid the annual rental may claim this credit.	\$
4. Enter exploration incentive credit and attach a copy of exploration incentive credit authorization (AS 38.05.212(b)(2)). This credit cannot exceed 50% of the value on line 2 (AS 27.30.030(a)(2)).	\$
5. Subtract lines 3 and 4 from line 2. If less than 0 enter "0."	PAY THIS AMOUNT \$

Section E: Production Report under AS 27.05.050. Data kept confidential per 11 AAC 86.776

Did your claim or lease produce locatable minerals and/or did you sell locatable minerals? (circle one)

Yes ← _____
Complete this section below

→ No

	Mineral	Weight (oz)	Payment Received	Year Produced
Minerals produced and sold in this reporting period			\$	N/A
Minerals sold this reporting period, but produced in earlier years			\$	
Minerals produced this reporting period, but not sold			N/A	N/A

Section F: Signature

Signature of Holder or Agent (person who completed this return)	Title	Date
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I declare under penalty of perjury that this return has been completed or examined by me, and to the best of my knowledge and belief, it is a true, correct, and a complete return.

AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made a part of the state public land records and becomes public information under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(8) and confidentiality is requested, AS 43.05.230, or AS 45.48). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210. In submitting this form, the applicant agrees with the Department to use "electronic" means to conduct "transactions" (as those terms are used in the Uniform Electronic Transactions Act, AS 09.80.010 – AS 09.80.195) that relate to this form and that the Department need not retain the original paper form of this record: the department may retain this record as an electronic record and destroy the original.

Further Instructions on Completing Form 102-4056

Production Royalty on Locatable Minerals

INCOMPLETE RETURNS WILL NOT BE ACCEPTED AND WILL BE RETURNED TO THE HOLDER

Who must file a production royalty return:

A holder of a mining claim, leasehold location, or mining lease, on state-owned land, including Alaska Mental Health Trust Authority-owned land, from which locatable minerals produced were sold, exchanged, or otherwise disposed of (11 AAC 86.769(a) and (b)), or removed from the State of Alaska.

A "holder" is a person or organization engaged in one or more of the following activities in the State of Alaska, and includes a person or organization that is temporarily exempt from taxation under AS 43.65.010(a):

1. Owning and operating a mining property;
2. Owning a mining property and receiving lease or royalty payments based on production from the property;
3. Leasing a mining property from another person and operating the property;
4. Possessing a mineral interest, whether an economic or a production interest, in a producing property, including royalty, working or operating interest, net profits, overriding royalties, carried interest, and production payments (11 AAC 86.763).

There may be more than one holder of a mining claim, leasehold location, or mining lease. For example, if the owner of a mining claim leases the mining claim to another person, both the owner and lessee are holders (11 AAC 86.763(b)).

If you received a permit to mine on state land via the APMA process, either as an owner, lessee, or miner you should to file a production royalty return.

Holders of new mining claims, new mining leases (11 AAC 86.760(4)), upland mining leases issued under AS 38.05.205, and mining leases issued under AS 38.50.250 on tide and submerged land are not exempt and must file a production royalty return.

WHEN IN DOUBT, FILE A PRODUCTION ROYALTY RETURN.

This return's due date and reporting period:

If the Alaska Mining License Tax Return Form that you file with the Alaska Department of Revenue is based on the calendar year, then this return is **due every year on May 1**, and the reporting period covers the preceding calendar year (11 AAC 86.769(c)). If the Alaska Mining License Tax Return Form that you file with the Alaska Department of Revenue is based on the fiscal year, then this return is due on the 1st day of the 5th month from the end of the fiscal year, and the reporting period covers the preceding fiscal year (AS 38.05.212(a)).

General Information

Alaska Statute AS 38.05.212 (a) requires in exchange for and to preserve the right to extract and possess the minerals produced, the holder of a mining claim, leasehold location, or mining lease, including a mining lease under AS 38.05.250 (Tide and Submerged Lands), shall pay a royalty on all minerals produced from land subject to the claim, leasehold location, or mining lease during the calendar year.

Regulation 11 AAC 86.769 (b) requires production royalty returns must be filed for each year in which production occurs, or locatable minerals produced from state lands are sold, exchanged, or otherwise disposed of.

Failure to pay any required production royalty as required by AS 38.05.185 – 38.05.275 constitutes abandonment of all rights acquired under mining claim, or leasehold locations (AS 38.05.265). Failure to pay production royalty when due, will result in the claim or leasehold location being abandoned and subject to relocation by others (AS 38.05.265 and 11 AAC 86.790 (a)(2)). For mining leases, failures to pay required production royalties when required results in default of the lease and subject to termination.

Production royalty is three percent (3%) of net income as determined under the Mining License Tax Law AS 43.65 and regulations 15 AAC 65.

A holder who files a production royalty return must keep its books and records pertaining to mining income, expenses, and deductions for no less than six years after the calendar year to which they relate. The books and records must be available for inspection and copying by authorized representatives of the state. If the books and records are kept and maintained are not readily available, upon request they must be produced at the state office designated by the state representative.

Your claim or lease may be considered abandoned and subject to relocation by another if you:

- Fail to pay the royalty when due, fail to pay a portion of the royalty when due and thereafter do not, within 30 days of receipt of a certified notice of abandonment, pay the total amount due, or
- Pay royalty when due that is deficient (AS 38.05.212(a), 11 AAC 86.790, 11 AAC 86.793).

Unpaid royalty and deficient payments accrue interest under 11 AAC 86.772.

Failure to pay production royalty return when due:

Failure to pay a production royalty return when due will result in the loss of state rights acquired under the state mining claim, leasehold location, or mining lease. Failure to file a production royalty form could result in the following;

- Revocation of mining permits issued under the APMA process (11 AAC 86.800),
- Revocation of miscellaneous Land Use permits (11 AAC 96),

Extension of time to submit this return or pay royalty:

May be granted if the division receives a written request no later than 10 days before the due date that includes;

- A complete statement of the reason for the request and
- The length of the extension requested (11 AAC 86.769(d)).

An extension of time may not exceed 120 days. Unpaid royalty and deficient payments accrue interest under 11 AAC 86.772 during the term of the extension (11 AAC 86.769(d)).

Submit this return:

To	State of Alaska Department of Natural Resources Division of Mining, Land and Water 550 West 7 th Avenue, Suite 900B Anchorage, Alaska 99501-3577	Or	State of Alaska Department of Natural Resources Division of Mining, Land and Water 3700 Airport Way Fairbanks, Alaska 99709-4699
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Submit royalty payment:

By personal check, bank check, or money order, to “State of Alaska, Department of Natural Resources” to one of the addresses above. Or, by cash or credit card to one of the addresses below. If you submit payment to one of the addresses below, then attach to this return, a copy of the receipt; or, a statement of where payment was made and the amount paid. Only payment of the entire amount due will be accepted.

To	State of Alaska Public Information Center 550 West 7 th Avenue, Suite 1260 Anchorage, Alaska 99501-3577	Or	State of Alaska Public Information Center 3700 Airport Way Fairbanks, Alaska 99709-4699
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Definitions (as used in this form or stated otherwise)

Production is defined as any activity that **MAY** have resulted in the recovery of locatable mineral and include such activities as panning, sluicing, use of a high banker, suction dredging, etc. whether locatable minerals were recovered or not. Once locatable minerals are sold or removed from Alaska a production royalty return must be filed.

Alaska Statute Sec. 38.05.212 Production Royalty

In exchange for and to preserve the right to extract and possess minerals produced, the holder of a mining claim, leasehold location, or mining lease, including a mining lease under AS 38.05.250, shall pay a royalty on all minerals produced from land subject to the claim, leasehold location, or mining lease.

11 AAC 86.796 Minerals produced

means “any mineral or raw material extracted or leached in-situ from the surface or subsurface and removed from the mining claim, leasehold location, or mining lease from which it was extracted or leached in-situ;” it “does not include any mineral produced as a result of taking a sample or bulk sample;

11 AAC 86.796 Bulk sample

means the quantity of resource mined, gathered, taken, or otherwise accumulated as a specimen for the purpose of testing and analyzing the ore body before its development (15 AAC 65.990 (a)). Locatable minerals recovered during bulk sampling once sold or removed from Alaska constitute minerals produced and must be reported as income.

11 AAC 88.185 Locatable minerals

means those minerals which, on January 3, 1959, were subject to location under the United States mining laws (30 U.S.C.) (AS 38.05.185 (a) and 11 AAC 88.185 (13)); and mineral means a naturally occurring substance with a characteristic chemical composition expressed by a chemical formula, including oil and gas. (11 AAC 88.18

Fact sheet:



Natural Resources

GENERALLY ALLOWED USES ON STATE LAND

Division of Mining, Land and Water • August 2011

As provided in 11 AAC 96.020, the following **uses and activities are generally allowed on state land** managed by the **Division of Mining, Land and Water** (these uses and activities may be restricted in legislatively designated areas, or special management category or status as listed in 11 AAC 96.014¹). Uses listed as “Generally allowed” do not require a permit from the Division of Mining, Land and Water. Note that this list does not apply to state parks, nor to land owned or managed by other state agencies such as the University of Alaska, Alaska Mental Health Trust, Department of Transportation and Public Facilities, or the Alaska Railroad. **You may need other state, federal or borough permits for these uses or activities.** Permits can be required from the Army Corps of Engineers, Department of Environmental Conservation, the Environmental Protection Agency, Alaska Department of Fish and Game Habitat Division (ADF&G-Habitat). Before beginning an activity on state land, the user should check to be sure it is generally allowed in that particular area.

TRAVEL ACROSS STATE LAND:

Hiking, backpacking, skiing, climbing, and other foot travel; bicycling; traveling by horse or dogsled or with pack animals.

Using a highway vehicle with a curb weight of up to 10,000 pounds, including a four-wheel-drive vehicle and a pickup truck, **or using a recreational-type vehicle** off-road or all-terrain vehicle with a curb weight of up to 1,500 pounds, including a snowmobile (or other tracked vehicle), motorcycle or ATV, on or off an established road easement, if use off the road easement does not cause or contribute to water quality degradation, alteration of drainage systems, significant rutting, ground disturbance, or thermal erosion. (Curb weight means the weight of a vehicle with a full tank of fuel and all fluids topped off, but with no one sitting inside or on the vehicle and no cargo loaded. Most highway rated sport utility vehicles are within the weight limit as are most small ATVs, including a basic Argo.) Use of larger off-road vehicles over 1,500 pounds curb weight, and the off-road travel of construction and mining equipment requires a permit from DNR. An authorization is required from the ADF&G-Habitat for any motorized travel in fish bearing streams.

Landing an aircraft (such as a single-engine airplane or a helicopter), or using watercraft (such as a boat, jet-ski, raft, or canoe), without damaging the land, including shoreland, tideland, and submerged land.

Driving livestock, including any number of reindeer or up to 100 horses, cattle, or other domesticated animals.

ACCESS IMPROVEMENTS ON STATE LAND:

Brushing or **cutting a trail** less than five feet wide using only hand-held tools such as a chainsaw (making a trail does not create a property right or interest in the trail).

Anchoring a mooring buoy in a lake, river, or marine waters, or placing a **float, dock, boat haulout, floating breakwater, or boathouse** in a lake, river, or in marine waters, for the personal, noncommercial use of the upland owner, if the use does not interfere with public access or another public use, and if the improvement is placed within the projected sidelines of the contiguous upland owner's parcel or otherwise has the consent of the affected upland owner. A float or dock means an open structure without walls or roof that is designed and used for access to and from the water rather than for storage, residential use, or other purposes. A boat haulout means either a rail system (at ground level or elevated with pilings) or a line attached from the uplands to an anchor or mooring buoy. A floating breakwater means a structure, such as a log bundle, designed to dissipate wave or swell action. A boathouse means a structure designed and used to protect a boat from the weather rather than for other storage, residential use or other purposes.

¹ These special use areas are listed in 11 AAC 96.014 and on the last page of this fact sheet. Maps of the areas are available online at: www.dnr.state.ak.us/mlw/sua/

REMOVING OR USING STATE RESOURCES:

Hunting, fishing, or trapping, or placement of a crab pot, shrimp pot, herring pound or fishwheel, that complies with applicable state and federal statutes and regulations on the taking of fish and game.

Harvesting a small number of **wild plants, mushrooms, berries, and other plant material** for personal, noncommercial use. The cutting of trees is not a generally allowed use except as it relates to brushing or cutting a trail as provided above. Commercial harvest of non-timber forest products requires a permit (11 AAC 96.035) and harvest practices must conform to the Alaska Non-Timber Forest Products Harvest Manual for Commercial Harvest on state-owned Lands. <http://dnr.alaska.gov/ag/NTFPRreports.htm>

Using dead and down wood for a cooking or warming fire, unless the department has closed the area to fires during the fire season.

Grazing no more than five domesticated animals.

Recreational gold panning; hard-rock mineral prospecting or mining using light portable field equipment, such as a hand-operated pick, shovel, pan, earth auger, or a backpack power drill or auger; or **suction dredging** using a suction dredge with a nozzle intake of six inches or less, powered by an engine of 18 horsepower or less, and pumping no more than 30,000 gallons of water per day. An authorization is required from ADF&G-Habitat prior to dredging in fish bearing streams.

OTHER IMPROVEMENTS AND STRUCTURES ON STATE LAND:

Setting up and using a camp for personal, noncommercial recreational purposes, or for any non-recreational purpose (such as a support camp during mineral exploration), for no more than 14 days at one site, using a tent platform or other temporary structure that can readily be dismantled and removed, or a floathouse that can readily be moved. Moving the entire camp at least two miles starts a new 14-day period. Cabins or other permanent improvements are not allowed, even if they are on skids or another non-permanent foundation. The camp must be removed immediately if the department determines that it interferes with public access or other public uses or interests.

Brushing or cutting a survey line less than five feet wide using only hand-held tools (such as a chainsaw), or **setting a survey marker** (setting a survey monument—a permanent, official marker—requires written survey instructions issued by the Division of Mining, Land and Water under 11 AAC 53).

Placing a residential **sewer outfall** into marine waters from a contiguous privately owned upland parcel, with the consent of the affected parcel owners, if the outfall is within the projected sidelines of the contiguous upland parcel and is buried to the extent possible or, where it crosses bedrock, is secured and covered with rocks to prevent damage. Any placement of a sewer outfall line must comply with state and federal statutes and regulations applicable to residential sewer outfalls.

Placing riprap or other suitable bank stabilization material to prevent erosion of a contiguous privately owned upland parcel if no more than one cubic yard of material per running foot is placed onto state shoreland and the project is otherwise within the scope of the U.S. Army Corps of Engineers nationwide permit on bank stabilization.

MISCELLANEOUS USES OF STATE LAND:

An event or assembly of 50 people or less, including events sponsored by non-profit organizations or a commercial event.

Entry for **commercial recreation** purposes **on a day-use basis** with no overnight camps or unoccupied facilities that remain overnight, as long as the use has been registered as required by 11 AAC 96.018.

Recreational or other use not listed above may occur on state land as long as that use

- * is not a commercial recreational camp or facility, (whether occupied or unoccupied) that remains overnight;
- * does not involve explosives or explosive devices (except firearms);

- * is not prospecting or mining using hydraulic equipment methods (i.e. the use of pumped or flowing water to remove overburden or move gravels);
- * does not include drilling in excess of 300 feet deep (including exploratory drilling or stratigraphic test wells on state land not under oil or gas lease);
- * is not for geophysical exploration for minerals subject to lease or an oil and gas exploration license or for seismic surveys involving the use of explosives;
- * does not cause or contribute to significant disturbance of vegetation, drainage, or soil stability;
- * does not interfere with public access or other public uses or interests; and
- * does not continue for more than 14 consecutive days at any site. Moving the use to another site at least two miles away starts a new 14-day period.
- * does not include exploration for coal (a notice of intent to conduct exploration for coal must be filed with the DNR)

Check for special conditions and exceptions!

All activities on state land must be conducted in a responsible manner that will minimize or prevent disturbance to land and water resources, and must comply with all applicable federal, state, and local laws and regulations. **By acting under the authority of this list, the user agrees to the conditions set out in 11 AAC 96.025** (a copy of these conditions are attached to this fact sheet). A person who violates these conditions is subject to any action available to the department for enforcement and remedies, including civil action for forcible entry and detainer, ejectment, trespass, damages, and associated costs, or arrest and prosecution for criminal trespass in the second degree. The department may seek damages available under a civil action, including restoration damages, compensatory damages, and treble damages under AS 09.45.730 or AS 09.45.735 for violations involving injuring or removing trees or shrubs, gathering technical data, or taking mineral resources. (11 AAC 96.145)

Remember that this list does not apply to state parks, University of Alaska lands, or Alaska Mental Health Trust lands. In addition, some other areas managed by the Division of Mining, Land and Water are not subject to the full list of generally allowed uses. Exceptions may occur because of special conditions in a state land use plan or management plan for example, a management plan may reduce the number of days that people can camp at a specific site), or by a “special use land” designation (for instance, a special use land designation for the North Slope requires a permit for off-road vehicle use). Special Use Areas are listed in 11 AAC 96.014; more information is available on the department’s website at <http://dnr.alaska.gov/mlw/sua/>. GAU’s have also been modified for the Knik River Public Use Area.

Also, be aware that this list does not exempt users from the permit requirements of other state, federal, or local agencies. For example, the ADF&G - Habitat may require a permit for a stream crossing or if the use will take place in a state game refuge.

Finally, this list does not authorize a use if another person has already acquired an exclusive property right for that use. For instance, it does not give people permission to graze livestock on someone else’s state grazing lease, to build a trail on a private right-of-way that the Division of Mining, Land and Water has granted to another person, or to pan for gold on somebody else’s state mining location.

Department staff can help users determine the land status of state-owned land and whether it is subject to any special exceptions or to private property rights.

For additional information, contact the Department of Natural Resources:

PUBLIC INFORMATION CENTER 550 W. 7 th Avenue, Suite 1260 Anchorage, AK 99501-3557 (907) 269-8400 TDD: (907) 269-8411	DIVISION OF MINING, LAND & WATER PUBLIC INFORMATION OFFICE 400 Willoughby Ave., Suite 400 P.O. Box 111020 Juneau, AK 99801-1021 (907) 465-3400 TDD: (907) 465-3888	PUBLIC INFORMATION CENTER 3700 Airport Way Fairbanks, AK 99709-4699 (907) 451-2705 TDD: (907) 451-2770
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CONDITIONS FOR GENERALLY ALLOWED USES
(11 AAC 96.025²)

A generally allowed use listed in 11 AAC 96.020 is subject to the following conditions:

- (1) activities employing wheeled or tracked vehicles must be conducted in a manner that minimizes surface damage;
- (2) vehicles must use existing roads and trails whenever possible;
- (3) activities must be conducted in a manner that minimizes
 - (A) disturbance of vegetation, soil stability, or drainage systems;
 - (B) changing the character of, polluting, or introducing silt and sediment into streams, lakes, ponds, water holes, seeps, and marshes; and
 - (C) disturbance of fish and wildlife resources;
- (4) cuts, fills, and other activities causing a disturbance listed in (3)(A)–(C) must be repaired immediately, and corrective action must be undertaken as may be required by the department;
- (5) trails and campsites must be kept clean; garbage and foreign debris must be removed; combustibles may be burned on site unless the department has closed the area to fires during the fire season;
- (6) survey monuments, witness corners, reference monuments, mining location posts, homestead entry corner posts, and bearing trees must be protected against destruction, obliteration, and damage; any damaged or obliterated markers must be reestablished as required by the department under AS 34.65.020 and AS 34.65.040;
- (7) every reasonable effort must be made to prevent, control, and suppress any fire in the operating area; uncontrolled fires must be immediately reported;
- (8) holes, pits, and excavations must be repaired as soon as possible; holes, pits, and excavations necessary to verify discovery on prospecting sites, mining claims, or mining leasehold locations may be left open but must be maintained in a manner that protects public safety;
- (9) on lands subject to a mineral or land estate property interest, entry by a person other than the holder of a property interest, or the holder's authorized representative, must be made in a manner that prevents unnecessary or unreasonable interference with the rights of the holder of the property interest.

List of Special Use Land Designations Excluded from Generally Allowed Uses

- Alyeska Ski Resort
- Baranof Lake Trail
- Caribou Hills
- Exit Glacier Road
- Glacier/Winner Creek
- Hatcher Pass Special Use Area
- Haines State Forest
- Indian Cove
- Kamishak Special Use Area
- Kenai Fjords Coastline
- Kenai River Special Management Area Proposed Additions
- Lake Clark Coastline
- Lower Goodnews River
- Lower Talarik Creek
- Marmot Island Special Use Area
- Nenana River Gorge and McKinley Village Subd.
- North Slope Area
- Northern Southeast Area, Tidelands
- Nushagak
- Poker Flat North
- Poker Flat South
- Resurrection Bay
- Tangle Lakes Archaeological District
- Thompson Pass
- Togiak National Wildlife Refuge
- Knik River Special Use Area

² Register 164, January 2003



This sheet is designed to address the most frequently asked questions related to suction dredging activities in offshore waters in Norton Sound. For the purposes of this document, offshore waters consist of the East & West Recreational Mining Areas, Offshore Lease Tracts, and Mining Claims extending west to the Sinuk River and east to the Solomon River from Nome.

Question 1: Who needs to submit an Application for Permits to Mine in Alaska (APMA)?

Any person performing suction dredging activities in the East & West Recreation Areas in offshore Nome are required to submit an APMA regardless of suction dredge size (West Beach upper limit is a 6-inch intake & 23-horsepower motor, East Beach upper limit is an 8-inch intake & 46 horsepower motor.)

If a person is working in an offshore lease tract or mining claim and has a Generally Allowed Use (GAU) size suction dredge (6-inch or less intake with an 18 horsepower or smaller motor), then an APMA is not required. To work in the lease tracts or offshore mining claims an [owner authorization](#) from all the lease's or claim's owners is required regardless of dredge size. A person operating a dredge above the GAU size must submit an APMA (and owner authorization if they do not own the lease tract or mining claim) to work in offshore waters.

Question 2: When should I submit an APMA to ensure that I receive my permit in time to work during the summer (ice-free) months?

If you want to operate during the summer months, you need to submit your complete application as soon as possible. DNR processes all Mining applications on a first come, first served basis. If you plan to operate in the offshore recreation areas, then your application must be submitted no later than May 31st. A complete application includes a sketch of the dredge that you intend to be operating including the nozzle size, motor horsepower & the locations (leases or claims) of where you plan to dredge.

Question 3: If I do not need to submit an APMA do I still need to get permits to operate?

Yes! Even if you are not working under an APMA number, you will still need to be covered under a Department of Environmental Conservation (DEC) General Permit (GP) (Small Suction Dredge GP #: AKG375000, Medium Dredge GP # AKG371000, and Large Dredge GP # AKG374000).

If you are working within ½ a mile of the mouth or estuary to an anadromous (fish bearing) river or stream, you will also be required to apply for a Fish Habitat Permit (FHP) with the Department of Fish & Game (ADF&G). In addition, you will need a Mining License from the Alaska Department of Revenue (DOR).

You may require, a US Army Corps of Engineers (USACE) Regional GP (POA-2007-372-M1) for suction dredging. For operations in water depths greater than 20 feet, supplemental forms are required and must be submitted directly to the USACE (applications are available at:

<http://www.poa.usace.army.mil/Missions/Regulatory/Permits.aspx>).

For Agency Contacts and other Interagency APMA-related information see:

<http://dnr.alaska.gov/mlw/forms/14apma/interagency.cfm>

Question 4: What if I want to work during the winter when there is sea ice covering Norton Sound?

The offshore recreation areas are NOT open to winter time dredge operations.

A person wanting to operate in the winter months must be operating on an offshore lease tract or mining claim, must have the tracts or claim owner's permission and must be operating with a 10-inch or smaller intake in a depth of 30 feet or less (per DEC GP AKG375000 or AKG37100). If you wish to operate with larger than a 10" intake, then you must contact DEC about getting an Individual Permit to operate on sea ice.

Other useful information

- There are no lines in the ocean that mark the boundaries between the claims or lease tracts that you are authorized to operate on and someone else's claims or lease tracts. In order to ensure that you are not in conflict with another person, it is recommended that you acquire the GPS coordinates of all the claims or lease tracts that you will be working on and maintain a buffer between your dredge and the claim or tract boundaries. GPS coordinates for some Nome area lease tracts are available at: <http://dnr.alaska.gov/mlw/mining/nome/>. For traditional offshore mining claims it is the miners' responsibility to determine the GPS coordinates of their claim boundaries and properly locate mining activities within the claim boundaries.
- There are no public campgrounds in the immediate vicinity of Nome. Additionally, the land surrounding Nome is privately owned with the majority of it held by various Alaska Native Associations. You are not allowed to camp on private land without permission and would need to contact the appropriate association (listed below) or other private land owner to negotiate an agreement to use their land.
 - Sitnasuak Native Corporation at <http://www.snc.org>
 - Bering Straits Native Corporation at <http://www.beringstraits.com>
 - King Island Native Corporation (Kawerak) at <http://www.kawerak.org/index.html>
 - Nome Gold Alaska Corporation, P.O. Box 1718, Nome, AK 99762

The Bering Straits Native Corporation and the Nome Gold Alaska Corporation own surface and subsurface rights to their land. As such, you are not allowed to mine the beach or the uplands of this privately owned land.

- As a Suction Dredge operator, you need to keep copies of the following documents on your dredge during your operation: A copy of your APMA (DEC Notice of Intent to Discharge) and Miscellaneous Land Use Permit (MLUP) from DNR if you are above GAU size, a copy of your Fish Habitat Permit if you are operating near an anadromous stream, a copy of your boat registration, a copy of any Owner Authorizations that you have received, and a daily turbidity log if you are operating with an 8-inch or larger suction dredge. It is strongly recommended that you keep your original documents in a safe, dry place.
- The Nome harbor has limited slip space available for boats and dredges. It is recommended that you modify your dredge so it can be hauled out of the water at the end of the day. If you have a boat that is supporting or hauling your dredge, it is recommended that you have a boat trailer that you can use to haul your equipment with.

Where can I get answers to questions not covered in this fact sheet?

General information and customer service can be obtained at the Department's Public Information Centers in Anchorage and Fairbanks.

The Anchorage center is at:

550 West 7th Ave., Suite 1260
Anchorage, AK 99501
Phone: 907-269-8400
Fax: 907-269-8901
TDD: 907-269-8411
Email: dnr.pic@alaska.gov

The Fairbanks center is at:

3700 Airport Way
Fairbanks, AK 99709-3844
Phone: 907-451-2705
Fax: 907-451-2706
TDD: 907-451-2770

Fact Sheet



Division of Mining, Land & Water
July 2018

Title: MINING PERMITS THROUGH THE APPLICATION FOR PERMITS TO MINE IN ALASKA (APMA)

To conduct exploration or mining activities in the State of Alaska, permits and licenses are required by as many as twelve State and Federal agencies. To assist the industry with applications in the complex permitting process, the State designed the Application for Permits to Mine in Alaska (APMA).

Each year a claim owner intends to conduct mining activity, including exploration, mining, or transportation of equipment, an APMA should be completed and submitted to the Alaska Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) nearest to where the activity will take place. Submission well in advance of the intended “start-up” date is recommended – October or November is not too early! Applicable fees must accompany the application and the amount varies depending on the scale of mining activity. See current Director’s Fee Order for applicable fees. The Mining Section reviews the form for completeness and, when accepted, distributes to all State and Federal agencies involved in the permitting process – thus, expediting the paperwork for the benefit of the applicant. Permits may or may not be required by the agencies receiving copies of each application. After reviewing the application an agency may: 1) issue a required permit, sometimes with stipulations or an additional fee; 2) request more information before issuing a permit; 3) deny the permit under their statutory and regulatory authority, or by order of court injunction.

Agencies involved in the permitting process, along with the respective permits/licenses managed, as follows:

AGENCY	RESPONSIBILITY
Alaska Department of Fish and Game	Fish Habitat Permit or Special Area Permit
Alaska Department of Revenue-Tax Division	Mining License
Department of Environmental Conservation (DEC)	Alaska Pollution Discharge Elimination System Permit (APDES), Compliance Inspections, & Technical Assistance
DNR, Division of Mining, Land & Water Mining Section	Miscellaneous Land Use Permit, Approved Plan of Operations, and Approved Reclamation Plan (On claim activity only, including surface use)
DNR, Division of Mining, Land & Water Land Section	Miscellaneous Land Use Permit (Access across State land)
DNR, Division of Mining, Land & Water Water Section	Temporary Water Use Authorization (TWUA) to Appropriate Water or a Certificate of Appropriation.
DNR, Division of Parks	Special Park Use Permit or SHPO requirements
DNR, Division of Forestry	Timber Purchase may be required
Bureau of Land Management	Approved Plan of Operation or Notice of Operation
U.S. Forest Service	Approved Plan of Operation
U.S. Park Service	Approved Plan of Operation
U.S Army Corps of Engineers (USACE)	Dredge and Fill Permit in Waters of the U.S.

NOTE: Although the Alaska Department of Environmental Conservation (DEC), U.S. Army Corps of Engineers (USACE), and DNR Water Section receive copies of the APMA, they may not issue permits if the APMA is inadequate in completely describing the planned level of activity. Separate, individual, applications may be required to be filed with these agencies to receive their respective permits. Other Agencies may also charge a fee separate from the APMA fee.

COMMONLY ASKED QUESTIONS

1. *Will the Application for Permits to Mine in Alaska get me every permit I may need?*

Not necessarily. For example: If you will have a settling pond discharge, you must apply for an Alaska Department Environmental Conservation Alaska Pollutant Discharge Elimination System (APDES) Permit. If the operation qualifies for a General Permit, the APMA acts as a Notice of Intent for issuance of an APDES Permit. If your operation does not qualify for a General Permit, a separate application with that agency will be necessary. In addition, a U.S. Army Corps of Engineers permit could be required for mechanical land clearing, backfilling mine cuts, construction of a stream diversion, some road construction activities and suction dredging in stream or offshore. Contact them directly for this determination. U.S. Army Corps of Engineers, Regulatory Division, P.O. Box 6898 Anchorage, AK 99506; 1-800-478-2712 or local telephone contact is 907-753-2712.

2. *Isn't a mining license the only permit I need?*

No. A mining license is the Alaska's Department of Revenue's way of tracking your income tax obligation to the State (can be deferred for the first 3 ½ years of production **IF** an Affidavit of Initial Production is filed). It is not a mining permit and does not have anything to do with authorizing surface disturbance, wastewater discharge, surface use, habitat permits, etc.

3. *Does the APMA processing fee for the Application to Mine in Alaska cover the cost of all permits that could be issued?*

No. The fee applies **only** to applications for Miscellaneous Land Use Permits, applications for Approved Plan of Operations, applications for Approved Reclamation Plans, and applications for Winter Cross Country Travel authorizations issued by the Department of Natural Resources Mining Section and the cost of distribution of the application to other State and Federal agencies.

4. *Do I need to complete and submit a new Application to Mine in Alaska each year?*

Yes, unless you have a "Multi-year APMA" which can be applied for up to five years. If your APMA is for a "single year" and you intend to perform any type of mining related activity that requires a permit, you must apply each year.

5. *If I am not mining, only prospecting or performing exploration work, do I still need permits?*

Yes. Permits or Notices of Operation are required for any activity involving heavy, mechanized equipment on all State and Federal lands. Activities conducted on a mining property above Generally Allowed Uses on State land will require permitting regardless of the level of mining activity.

6. *I'm only a recreational miner using a suction dredge, not a commercial venture with big equipment. Do I still need permits?*

Possibly. Any suction dredge activity must be coordinated through the local Habitat Division of an Alaska Department of Fish & Game Office and the Alaska Department of Environmental Conservation. Generally: On State mining claims, suction dredges with a nozzle intake six inches or less, powered by a 18HP motor or less without additional mechanized equipment, is considered "recreational activity". Recreational dredging requires authorization from the Department of Fish & Game Division of Habitat and Department of Environmental Conservation.

On Federal mining claims, suction dredges with nozzle intakes larger than four inches are considered commercial and require a Notice/Plan of Operation to be submitted or an APMA, in addition to authorization from the Department of Fish & Game Division of Habitat and Department of Environmental Conservation.

FOR MORE INFORMATION, OR FOR AN APPLICATION, VISIT <http://dnr.alaska.gov/mlw/forms/>



THE STATE
of ALASKA

GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

DIVISION OF MINING, LAND & WATER
Mining Section

MINE PERMITTING ANCHORAGE

550 West 7th Avenue, Suite 900B
Anchorage, AK 99501
Main: 907.269-8647
Fax: 907-269-8949
dnr.anc.mining@alaska.gov

MINE PERMITTING FAIRBANKS

3700 Airport Way
Fairbanks, Alaska 99709
Main: 907.458-6896
Fax: 907.451-2703
dnr.fbx.mining@alaska.gov

2020 APPLICATION FOR PERMITS TO MINE IN ALASKA

November 4, 2019

Dear Miner:

Attached to this letter you will find the 2020 Application for Permits to Mine in Alaska (APMA) packet. This packet is applicable to placer mining, hard rock exploration, and suction dredging operations. Miners are encouraged to submit your application early, as applications are processed in the order that they are received. Applications received after May 31st will be processed on an "as staff are available" basis. Also, miners who are requesting cross country travel authorizations should submit their application at least 60-90 days before the planned travel.

Processing Fees:

The annual application fees have changed and are described in the Fees Section of the application. Other agencies such as the Department of Environmental Conservation and Department of Fish & Game may require additional fees for permits or authorizations.

Multi-Year Renewal Requirements:

For miners applying for a multi-year permit, the following forms still need to be submitted annually:

1. Signed Bond Renewal form with appropriate fees (if applicable), due April 1st.
2. Signed Reclamation Plan or Letter of Intent to Reclaim, due December 31st.
3. Signed Reclamation Statement, due December 31st.

Keep in mind that other permits, such as DEC's Wastewater Discharge Authorizations, Mining Tax License, Land Use Permits or US Army Corps of Engineers Wetlands permits, may have expiration dates separate from the DNR multi-year permit expiration date. Miners should be aware of expiration dates on these other permits.

Reclamation Statement: Due December 31, 2019

As a reminder, applicants are required to file an Annual Reclamation Statement by December 31, 2019 to keep their small miners' exemption from bonding requirements or to satisfy the reporting requirements of their previous reclamation plan. This statement is due whether or not activity took place in 2019 for existing permittees. If assistance is required, please feel free to contact one of our offices listed above.

Submit completed application and appropriate fee(s) to one of the following DNR offices:

DNR Division of Mining, Land & Water
550 W. 7th Ave. Suite 900B
Anchorage, AK 99501-3577
Phone: (907) 269-8647 or (907) 269-5916
Email: dnr.anc.mining@alaska.gov
Fax: (907) 269-8949

DNR Division of Mining, Land & Water
3700 Airport Way
Fairbanks, AK 99709-4699
(907) 458-6896 or (907) 451-2791
dnr.fbx.mining@alaska.gov
(907) 451-2703

Sincerely,

David Charron

David Charron
Geologist IV - Program Manager
Mine Permitting & Compliance



STATE OF ALASKA

Application for Permits to Mine in Alaska (APMA); For placer mining, suction dredging, and hardrock exploration

Generally, to conduct such activities in the State of Alaska, permits and licenses may be needed from several State and Federal agencies. For convenience, your APMA will be initially reviewed for completeness by the Alaska Department of Natural Resources (ADNR) and then distributed to the other agencies that utilize the APMA as the application form from which they issue their respective permits.

This application should satisfy the requirements to obtain permits and approvals from the following State government agencies, however, additional information may be requested:

ADNR Division of Mining, Land & Water (DMLW), Mining Section (DNR-Mining)

On State Mining Claims, Prospecting Sites, or the Nome Public Mining Areas:

- Miscellaneous Land Use Permit (MLUP) 11 AAC 96.040 --or--
- Approved Plan of Operations (APO) 11 AAC 86.150 --or--
- Other written authorization as appropriate for surface use of a mining property. 11 AAC 86.145

On State Upland Mining Leases, Offshore Prospecting Permits, and Offshore Mining Leases:

- Approved Plan of Operations (PoO) 11 AAC 86.800 --or--
- Other written authorization as appropriate for surface use of a mining property. 11 AAC 86.145

All State Lands

The building, placing, or uses of surface structures or other surface improvements, including airstrips and roads, within the boundaries of a mining property must be approved through a plan of operations, land use permit or other written authorization. An active approval is needed for structures, improvements, and equipment to remain on state land. (AS 38.05.255(a)).

All Mining and Exploration Operations (regardless of land status or ownership):

Reclamation Plan Approval and Reclamation Bonding. AS 27.19.030, AS 27.19.040 --or--
Reclamation Letter of Intent for small, exempt operations. AS 27.19.050

ADNR DMLW, Land Section (DNR-Lands)

- Land Use Permits: For summer cross country access and surface activities exceeding Generally Allowed Uses (11 AAC 96.020) on State land other than on mining claims, prospect sites and mining leases. For questions about your route, what supplemental forms may be required and what type of use is allowed, contact the appropriate Regional Land Office: Southcentral Office: (907) 269-8552 Northern Office: (907) 451-2740 or Southeast Office: (907) 465-3400

ADNR DMLW, Water Section (DNR-Water)

- Temporary Water Use Authorization for significant amount of water (including the use of 100% recycle systems). For questions, contact Kindra Geis (907) 451-2790 kindra.geis@alaska.gov

ADNR DMLW, Water Section - Dam Safety Program (DNR-Dam Safety)

- Artificial barriers (dams) come under the jurisdiction of the Dam Safety Program when they meet definitions under AS 46.17.900(3). For questions, contact Charlie Cobb (907) 269-8638 charles.cobb@alaska.gov
Additional forms will be required for jurisdictional dams.

Alaska Department of Environmental Conservation (DEC)

- Wastewater Discharge General Permit authorization: For discharges to waters of the U.S. For questions, contact Nick Dallman (placer mining) at (907) 451-2142 or nicholas.dallman@alaska.gov; or Tim Pilon (hard rock exploration) at (907) 451-2136 or tim.pilon@alaska.gov.
- Aboveground Storage Tank Registration: If your operation will employ the use of at least one aboveground storage tank of noncrude oil (e.g. diesel), that is 1,000 gallons or greater, it must now be listed on a Class 2 Facility Registration and Notification Form within 30 days of operation. For additional information, including the registration form, visit <http://dec.alaska.gov/spar/ppr/prevention-preparedness/class-2-facilities/> or contact Class 2 facility staff at (907)465-5237 or dec.spar.class2@alaska.gov.
- Notify Nearby Drinking Water Systems: If the project is within a Drinking Water Protection Area (DWPA) for a public water system (PWS), please notify the PWS of the proposed activity. Additional requirements from certain permits may apply, such as setbacks from water intakes. DWPAs can be found using an interactive web map application (<http://dec.alaska.gov/das/gis/apps.htm>). PWS contact information can be found at the Drinking Water Watch website (<http://dec.alaska.gov:8080/DWW/>). For additional questions, contact the DEC Drinking Water Program at (907) 269-7656 or online at <http://dec.alaska.gov/eh/dw/index.htm>.

Alaska Department of Fish & Game (ADF&G)

- Fish Habitat Permit (Title 16): Permits are required for stream crossings, suction dredging, and alterations to the bed/banks in anadromous fish streams; stream diversions, dams, and water intake structures in all fish bearing waters or any activity that could obstruct the efficient passage and movement of fish. For questions, contact: South Central/Southwest/Anchorage Office, Ron Benkert, (907) 267-2172 or ronald.benkert@alaska.gov
Interior/Northern/Arctic/Fairbanks Office, Audra Brase (907) 459-7289 audra.braser@alaska.gov
Mat-Su/Palmer Office, Jonathan Kirsch, (907) 861-3203 or jonathan.kirsch@alaska.gov
Kenai Peninsula/Soldotna Office, Brian Blossom (907) 714-2475 or brian.blossom@alaska.gov
Southeast/Douglas Office, Kate Kanouse (907) 465-4290 or kate.kanouse@alaska.gov
Craig Office, Mark Minnillo (907) 826-2560 or mark.minnillo@alaska.gov

Office of History and Archeology (OHA)

- In consideration of potentially significant cultural resources, please do not disturb any historical buildings, structures, objects, or artifacts that were located on the site without consultation with the OHA. If cultural resources are discovered during permitted activities, OHA should be contacted to consult on appropriate measures. Examples of cultural resource sites that could be encountered include, but is not limited to: historical cabin remains (collapsed, standing, or foundations); adits; dredges or other mining equipment; cultural depressions or pits; graves or cemeteries; prehistoric tools or artifacts; and paleontological (fossilized) remains.
- For more information or questions, please call the OHA Front Desk and request to speak with one of OHA's Review and Compliance Staff: (907) 269-8700

This application may serve as notice to obtain permits and approvals from the following Federal government agencies; however, additional information may be required:

Environmental Protection Agency (EPA)

- EPA Spill Prevention Control and Countermeasures (SPCC): For projects with cumulative fuel volume on site larger than 1,320 gallons. Fuel volumes larger than 10,000 gallons must have a SPCC plan certified by a professional engineer. For additional information contact Matthew Carr at (907) 271-3616 carr.matthew@epa.gov or visit <http://www.epa.gov/osweroe1/content/spcc/>

Bureau of Land Management (BLM)

- Notice of Plan of Operation: The BLM has simplified the supplemental document package to a worksheet that can be used to provide all the information required per §43 CFR 3809. For the 2018 mining season you may download a copy of the worksheet at: <http://www.blm.gov/alaska/mining>.
- Please contact your local BLM office if you have questions or to get a hard-copy of the worksheet:
 - Anchorage District Office (Covers Glennallen & Anchorage Field offices):
(907) 267-1246 BLM_AK_ADO_Mining@blm.gov
 - Fairbanks District Office (Central Yukon and Eastern Interior Field Offices):
(907) 474-2200 BLM_AK_CYFO_Mining@BLM.gov OR BLM_AK_EIFO_Mining@blm.gov
 - BLM Alaska State Office Mining Support Group (907) 271-5960 BLM_AK_AKSO_MINING@blm.gov

U.S. Army Corps of Engineers (USACE)

- Under Section 404 of the Clean Water Act (CWA), the USACE has jurisdiction over mechanical clearing and placement of fill into waters of the U.S, which includes streams and wetlands. A wetland Jurisdictional Determination (JD) and Mitigation Statement are required for all new applications (New and Existing Operations), including access within and outside your claim block.
- The CWA applies to operations on federal, state, and private lands; it is the responsibility of the applicant to contact the USACE.
- For assistance with your JD and Mitigation Statement, contact the USACE directly. Contact Ben Soiseth in Fairbanks: Benjamin.N.Soiseth@usace.army.mil (907) 474-2166 or Leslie Tose in Anchorage: Leslie.W.Tose@usace.army.mil (907) 753-2712 or (800) 478-2712.

Interagency supplemental forms and documents are available at: <http://dnr.alaska.gov/mlw/forms/?tab=mining>

The APMA serves primarily, but not exclusively, as a multi-agency application. Do not assume that this APMA application will suffice for all the permits and authorizations your project requires. Contact each agency with jurisdiction over your project to ensure you have submitted all required applications.

This application will NOT satisfy requirements for the following:

Alaska Department of Revenue: Alaska Mining License Tax

- Anyone conducting mining in Alaska must obtain a mining license. The mining license forms can be found online at <http://www.tax.alaska.gov/programs/programs/forms/index.aspx?60610>. Please submit your mining license application directly to the Department of Revenue. For questions contact Seletia Hall, (907) 269-1017 or seletia.hall@alaska.gov.

Department of Natural Resources: Rents, Labor and Production Royalties

- To preserve the right to mine on State lands, a 3% Production Royalty on net income must be submitted each year to Mineral Property Management (AS 38.05.212 and 11 AAC 86.760).
- Other requirements may include Annual Rent and Affidavits of Annual Labor. More information can be found on the DNR Mineral Property Management website at <http://dnr.alaska.gov/mlw/mining/min-prop.cfm>. For Questions contact Heather Lescanec at (907) 269-8648 or heather.lescanec@alaska.gov.

Alaska Mental Health Trust Land Office (AMHTLO), Alaska Mental Health Trust Authority (AMHTA)

- The use of Trust land for recreational activities is allowed under the following conditions: All activities must be day use only, non-commercial, non-motorized, and in compliance with federal and local laws.
- Travel with motorized vehicles across Trust land requires written authorization from the AMHTLO.
- Mining claim staking is not allowed on Trust lands.
- To view maps of Trust lands, click on the following link:
<https://alaskamentalhealthtrust.org/trust-land-office/land-sales/lands-and-maps>
- For further information, contact the TLO: (907) 269-8658

Department of Environmental Conservation: Solid Waste Disposal, Camp Permits, Potable Drinking Water Systems

- Remote Camps and Lodges Permit: Find the application online at <https://dec.alaska.gov/media/10894/remote-camps-and-lodges-gp-application.pdf>
- For more information, contact the Division of Environmental Health, Solid Waste Program at (907) 269-7802

Federal Mine Health and Safety Administration (MSHA): Mine ID or Registration

- Contact MSHA directly with general questions: AskMSHA@dol.gov

In accordance with Alaska Statute 27.19, miners may not engage in mining operations until a reclamation plan has been approved. Operations less than five acres must submit a Letter of Intent to Conduct Reclamation and file an Annual Reclamation Statement. Reclamation Statements must be filed or postmarked by December 31st each year, regardless of the level of activity conducted.

Operations of five acres or more must be bonded. You may either join the State Wide Bond Pool or you may submit evidence of an individual financial assurance. All plans and notices on BLM managed lands as per 43 CFR 3809.10 require a separate reclamation plan to be filed with BLM. If your operation involves BLM managed federal land, you must obtain BLM approval of your bonding prior to submission of your application to DNR-Mining.

AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made a part of the state public land records and becomes public information under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(8) and confidentiality is requested, AS 43.05.230, or AS 45.48). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210. In submitting this form, the applicant agrees with the Department to use "electronic" means to conduct "transactions" (as those terms are used in the Uniform Electronic Transactions Act, AS 09.80.010 – AS 09.80.195) that relate to this form and that the Department need not retain the original paper form of this record: the department may retain this record as an electronic record and destroy the original.

FEES: APMA filing fees have been increased effective July 1, 2018 (see Director's Fee Order #3 for full fee schedule). Other fees, including fees for authorizations, petitions, and services not subject to a fee waiver reduction provided by DMLW and other divisions within the Department of Natural Resources are provided in 11 AAC 05.020 through 11 AAC 05.270 and other statutes and regulations. Additional fees may be charged by the Department of Environmental Conservation, Department of Fish & Game or other agencies using the APMA application.

DNR-Mining Fees:

A nonrefundable application fee is charged when all APMAs are submitted. Fees vary depending on mineral property type (Lease or Mining Claim), operation size and surface land use.

For Mining Claims and Prospecting Sites:

- Less than 5 acres: \$280 for first year, \$80 each additional year up to 5 years (\$600 max)
- More than 5 acres: \$240 for first year, \$80 each additional year up to 5 years (\$560 max)

For Upland Mining Leases, Offshore Mining Leases or those electing a Plan of Operation Approval:

- Less than 5 acres: \$200 for the first year, \$80 each additional year up to 5 years (\$520 max)
- More than 5 acres: \$400 for the first year, \$200 each additional year up to 5 years (\$1200 max)

For Non-State Land Reclamation Plan Approvals (Federal, Private, or Native Corporation lands): \$400 for up to 5 years

Amendments: The amendment filing fee is \$200. Changes in operation must be submitted in writing and approved in advance by all affected agencies before the start of such activity.

Additional fees may be billed for surface land use above two acres on mining claims or five acres on leases, for additional staff time, or for reclamation bonding release. See Director's Fee Order #3 for the full fee schedule.

DNR-Water Fees:

A nonrefundable application fee is charged when applicants request a Temporary Water Use Authorization (TWUA) by using this APMA form as an approved alternate form for the Application for Temporary Use of Water.

The TWUA fee is \$450 for each authorization. Each authorization may include up to 5 sources and can be for a period of up to 5 years. The TWUA fee is in addition to the DNR-Mining Fee and is collected at the time of filing. An annual maintenance fee of \$50 will be billed separately. An additional \$350 fee may be required for amendments.

DNR-Lands Fees:

The application fee for a Land Use Permit for Cross Country Travel is \$400. Additionally, Cross Country Travel is billable at \$240 for **each year** of travel. Authorizations issued by the DNR-Lands Section may also require bonding and insurance in addition to the application fee and will be billed separately.

AU_YW YWg'cf'a cbYmcfXYfg'dUnUV'Yhc''8 YdUfha YbhcZBUi fU'FYgci fWg''

DEC Permitting Fees:

Applicants who request a wastewater discharge authorization from DEC (section #25) are subject to the following annual fees:

- Mechanical Placer Mines without Mixing Zones: \$225
- Mechanical Placer Mines with Mixing Zones: \$315
- Medium-Sized Suction Dredges: \$90
- Norton Sound Large Dredges: \$715

A \$25.00 discount is available to Mechanical Placer Mines with Mixing Zones and fewer than 20 employees. DEC will mail a separate invoice upon authorization.

Submit completed application and appropriate fee(s) to one of the following DNR offices:

DNR Division of Mining, Land & Water
550 W. 7th Ave., Ste 900B
Anchorage, AK 99501-3577
Phone: (907) 269-8647 or (907) 269-5916
Fax: (907) 269-8949
Email: dnr.anc.mining@alaska.gov

DNR Division of Mining, Land & Water
3700 Airport Road
Fairbanks, AK 99709-4699
Phone:(907) 458-6896 or (907) 451-2791
Fax: (907) 451-2703
Email: dnr.fbx.mining@alaska.gov

APMA Instructions and Check List

1. State mining regulations require applications to be completed in ink or typed.
2. Maps and plans can be in black and white or in color, provided they are on 8 1/2 " x 11" sized paper. Over size maps and plans needed to clarify complex operations, are allowed so long as 8 1/2" x 11" sized equivalents are included.
3. If an applicant is requesting authorization to conduct activities on more than 12 claims, please attach a complete mineral property list.
4. **HARDROCK APPLICANTS:** If an applicant is requesting authorization to conduct permitted activities on more than 12 claims, planning 5 or more drill holes or trenches, using more than 5 water take points or conducting in-stream activities in more than 5 locations, then the tabular information in Excel is preferred. A template is downloadable at: http://dnr.alaska.gov/mlw/forms/18apma/AHEA_ReclamationSpreadsheet.xls. Please use the workbook provided or similar format.
5. Electronic application materials can be submitted to dnr.anc.mining@alaska.gov or dnr.fbx.mining@alaska.gov. Please ensure your electronic application materials are signed.

Please review the following checklist and make certain all applicable items are included before submitting the application. Incomplete applications will be returned.

ALL APPLICANTS:

- Are the applicable processing fees, use fees and bond pool fees enclosed?
- Have you written "N/A", or drawn a diagonal line through any un-applicable sections?
- Is there a current, legible sketch and narrative of proposed operation? (See sketch checklist)
- Is the reclamation page signed and dated and the appropriate boxes checked?
- Is the Annual Reclamation Report dated and signed?
- If you are not the owner of the listed State mineral locations, have you provided a notarized Notice of Operator Authorization?
- Are all operators listed? Independent mining subcontractors and other persons not in an employment relationship listed?
- If applicable, have you completed a State Wide Bond Pool Form or State Wide Bond Pool Renewal Form? Include BLM signature if Federal claims are listed.
- Are all your maps and sketches, paper or electronic, included?
 - Plan map and cross section of operations, (see instructions near back of application packet)
 - Access map(s): Include a map of your summer access and your winter cross country access (if applying). Include the appropriate U.S. Geological Survey (USGS) topographic map or maps at a scale of one inch equals one mile (1:63,360) overlain with the proposed access route. Identify entire access on and off your claim block from a major road system, airstrip, or boat landing. Reproduced portions of maps in 8 1/2" x 11" size are acceptable, provided they are readable and suitable for copying. Each map should be clearly identified with a USGS identifier, i.e. Fairbanks A-3; and a legal description (meridian, townships and ranges involving the route).
 - Have you provided a map of your claims? Include a USGS topographic map illustrating: location; claim name; claim number; camp location; airstrips; and appropriate USGS map identifier. Identify those claims with past disturbance and those on which activity will take place this season.

PLACER AND SUCTION DREDGE APPLICANTS:

- If applying for a Wastewater Discharge Permit, have you marked all applicable checkboxes within Box 26 and included coordinates and a signature?
- If applying for a stream diversion, have you provided a map with clearly labeled start and end points to the planned diversion? Provide the mining claim number or legal description of your planned or existing diversion.
- None Offshore Operator Supplement?

HARDROCK APPLICANTS:

- Have you included MSDS sheets for all drilling fluids?
- Have you identified drill targets (either points and/or regional targets) for the duration of the permit application?
- Have you clearly described reclamation measures and drill waste handling protocol?

STATE OF ALASKA
Application for Permits to Mine in Alaska (APMA)

Single Year _____ Multi-year Start: _____ Finish: _____ APMA Number (A/F/J, Year, ****) _____

What type activity are you planning to perform? *REQUIRED (1) <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> Exploration/Reclamation Mining/Reclamation Hardrock Exploration/Reclamation </td> <td style="width: 50%; border: none;"> Access Equipment Suction Dredge Reclamation </td> </tr> </table>		Exploration/Reclamation Mining/Reclamation Hardrock Exploration/Reclamation	Access Equipment Suction Dredge Reclamation	Surface estate of mineral properties: *REQUIRED (2) <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> State (General) Private (Patented) Private (Native Corp.) </td> <td style="width: 50%; border: none;"> State (Mental Health) Federal City or Borough </td> </tr> </table>		State (General) Private (Patented) Private (Native Corp.)	State (Mental Health) Federal City or Borough
Exploration/Reclamation Mining/Reclamation Hardrock Exploration/Reclamation	Access Equipment Suction Dredge Reclamation						
State (General) Private (Patented) Private (Native Corp.)	State (Mental Health) Federal City or Borough						
Mineral Property Owners: *REQUIRED (3) Individual Contact Name and Company Name	Lessee: (4) Individual Contact Name and Company Name *if applicable	Operator: *REQUIRED (5) Individual Contact Name and Company Name					
Mailing Address for official correspondence: *REQUIRED	Mailing Address for official correspondence:	Mailing Address for official correspondence: *REQUIRED					
Summer phone# (Primary): *REQUIRED	Summer phone# (Primary):	Summer phone# (Primary): *REQUIRED					
Summer phone# (Secondary):	Summer phone# (Secondary):	Summer phone# (Secondary):					
Winter phone# (Primary): *REQUIRED	Winter phone# (Primary):	Winter phone# (Primary): *REQUIRED					
Winter phone# (Secondary):	Winter phone# (Secondary):	Winter phone# (Secondary):					
Cell/Satellite:	Cell/Satellite:	Cell/Satellite:					
FAX:	FAX:	FAX:					
E-mail:	E-mail:	E-mail:					
Alaska Business/Corporation Entity #: _____ Registered Agent (Corp./LLC/LP): _____	Alaska Business/Corporation Entity #: _____ Registered Agent (Corp./LLC/LP): _____	Alaska Business/Corporation Entity #: _____ Registered Agent (Corp./LLC/LP): _____					
Project Name If Applicable: (6)	Average Number of Workers: *REQUIRED (7)	Start-Up/Shut Down: (Month/Day) (8) _____ to _____.					
Mining District: *REQUIRED (9)	Applicable USGS Map: *REQUIRED (10)	On What Stream Is This Activity? (11)					
Legal Description of mineral properties to be worked and other projected related activities (MTRS): *REQUIRED (12) _____ _____ _____							
Internal Use Only: Date Application Received Complete: _____ Adjudicator: _____ LAS Entry: _____ CID(s): _____ CID(s): _____ CID(s): _____							

ACCESS OUTSIDE OF CLAIM BLOCK, CONTINUED

Indicate type(s) of existing access:

All Season Road: _____.

Summer Cross Country Travel off of claim block that is not considered Generally Allowed Uses (Complete Box 16)

Airstrip

River

Winter Cross Country Travel that is not generally allowed use (Complete Box 16)

Indicate type(s) of access to be constructed:

Access Road

Airstrip

Please describe your construction activities and include mitigation measures to protect water, fish and game resources.

(A map outlining the route of construction activities is required). Attach additional pages if necessary:

CROSS COUNTRY TRAVEL

(16)

Summer Cross Country Travel: Approvals for summer travel are issued from the DNR/DMLW Land section. Applications for LUPs may require sixty to ninety days to process and applications for easements may require six months to one year to process. A performance guarantee, insurance and fees are required before a permit will be issued and will only be released after travel is completed and no negative trail impacts have occurred.

Winter Cross Country Travel: May be approved when ground conditions will support the movement of heavy equipment. Existing roads and trails should be used whenever possible. The winter operation of ground contact vehicles for off-road travel must be limited to areas where ground frost and snow cover are adequate to prevent damage to the vegetation mat and underlying substrate. A completion report is required within 30 days of travel completion. Travel is generally not authorized after April 15th of each year (extensions may be granted as conditions allow).

A Cross Country Travel Route Map is required to obtain authorization. Is the map attached? Yes No

Name the individual(s) or business(es) who will be conducting the cross country travel:

List all equipment and vehicles being transported from box 14, including vehicle weights:

State the average total miles traveled in one round trip: _____. State the number of trips proposed: _____.

State the start and end date(s) or period(s) of proposed cross country travel: _____.

Select the following terrain type(s) that best describes your route of travel: Wetlands Tundra

Uplands Rivers or Other Water Bodies Wooded Areas (6" Trees or larger at breast height)

Will water be needed to construct ramps/ ice bridges? Yes No

If Yes, estimated quantity of water will be used _____ gallons/day WaterSource: _____

CROSS COUNTRY TRAVEL, CONTINUED

Are you transporting fuel? Yes No

The volume of fuel and hazardous substances to be used is the total volume (in gallons) to be carried on one vehicle and any trailers or sleds that vehicle is towing.

Maximum volume of fuel (in gallons) that is being transported by one vehicle and any trailers or sleds it is towing:

Are you transporting other hazardous substances? Yes No If "yes", indicate type and amount (e.g. gallons, lbs, psi):

How are petroleum products contained? (i.e., drums, bladders, steel tanks, etc.) Indicate size of containers:

How are petroleum products being transported? (i.e., skid-mounted tank; trailer; 55 gallon drums on skid; etc.)

Do you have an Oil Discharge Prevention and Contingency Plan approved by the Alaska Department of Environmental Conservation? Yes No

Do you have either a trained spill response team or a contract with a spill response company? Yes No

Describe any measures you plan to take to minimize drips or spills from leaking equipment or vehicles:

Does your cross country travel include the staging or storage of equipment or structures off the claim block? Yes No

If Yes, describe the location and dimensions of the long term or short term parking and/or storage areas.

PETROLEUM PRODUCTS AT PROJECT SITE

(17)

Will Petroleum Products Be Stored on the Project Site? [BLM Operators Only - Spill Worksheet is Required]

0-1,320 gallons of total storage (Secondary Containment recommended, but not required)

1,321-10,000 gallons of total storage (count only containers greater than 55 gallon capacity). A self-certified Spill Prevention, Control, and Countermeasure (SPCC) plan is required and applies to all products, such as diesel fuel, gasoline, lube oil, hydraulic oil and waste oil.

10,000+ gallons of total storage (count only containers with 55 gallons or greater storage capacity). An SPCC certified by a professional engineer is required and applies to all oil products, such as diesel fuel, gasoline, lube oil, hydraulic oil and waste oil.

Indicate Distance Stored From Flowing Waters: _____ Feet. (Minimum distance from naturally occurring water bodies required by DNR is 100 feet).

Is waste oil stored on the project site? Yes No If yes, describe quantity and storage modality:_____.

Are fuel containment berms around storage containers? Yes No Is berm area lined? Yes No

ABOVEGROUND STORAGE TANK REGISTRATION

(18)

If your operation will employ the use of at least one 1,000-gallon aboveground storage tank of noncrude oil (e.g. diesel), it must now be listed on a Class 2 Facility Registration and Notification Form. For additional information, including the registration form, visit <http://dec.alaska.gov/spar/ppr/prevention-preparedness/class-2-facilities/> or contact Class 2 facility staff at (907)465-5237 or dec.spar.class2@alaska.gov. Understood: Yes No

TEMPORARY STRUCTURES/FACILITIES

(19)

Is a camp or placement of any temporary structure requested? Yes No

If No, Please explain: _____

Describe all temporary improvements (including buildings, tent platforms, out-buildings, etc., including thier quantity, dimensions and building type.

What type of property is the camp located on? State Federal Private (Patented) City or Borough MHTL
 If camp is on private land, provide location: _____

Proposed Perimeter Dimensions of Camp: _____ length (ft) _____ Width (feet).

Request use of existing facilities, list ADL(s): _____

Year-Round Seasonal, from Approx. _____ to _____, annually.

Request to place temporary structures, list ADL(s): _____

Year-Round Seasonal, from Approx. _____ to _____, annually.

	Temporary New Structures	Existing Structure Quantity	Use (Shop, office, etc.)	Dimensions (ft x ft)	Dimensions (ft x ft)	Dimensions (ft x ft)
Framed						
Tent						
Trailer						
Platforms						
Out-Buildings						
Other:						

** If Required, list any other structures on a seperate sheet, include dimensions, use and type.*

Wastewater - Describe the wastewater type and quantity and proposed method of wastewater disposal:

Solid Waste - Describe the types of waste that will be generated on-site, including solid waste, the source of the waste, and the method of waste disposal, i.e. pit privy, or self-contained system, or outfall line; **Include distance from the nearest water body:**

What is the distance structures, including pit privies will be located from the ordinary high water mark of the nearest freshwater body (lake, stream, river, rivulet, etc.), or the mean high water mark of a saltwater body: _____

Will there be any use of animals (horses, dogs, goats/sheep, etc)? Yes No

Dismantle, Removal, and Restoration Plan: Provide a plan for dismantling and removing temporary structures. Include the method and timeline for restoration of all stucture location areas. **Be sure to include this in your narrative as part of your reclamation, See Section 31.**

MINING METHOD

(20)

Mechanical Placer Mining (e.g., terrestrial open-cut operations with dozer or excavator, etc.)

Estimated cubic yards processed annually: _____

Suction dredge Mechanical dredge (e.g., excavator or clam-shell)

List all suction and mechanical dredges. If information is not applicable, write "N/A." Attach extra sheet if necessary.

	Dredge 1		Dredge 2		Dredge 3	
Vessel ID (Name or Number)						
Vessel Dimensions						
Suction Dredge Intake Nozzle Diameter / Pump Size	Inches:	HP:	Inches:	HP:	Inches:	HP:
Mechanical Dredge Bucket Volume	Cubic Yards:		Cubic Yards:		Cubic Yards:	
Processing Rate	Yds. ³ /Hr.:		Yds. ³ /Hr.:		Yds. ³ /Hr.:	
Wastewater Discharge Rate	GPM:		GPM:		GPM:	
Maximum Water Depth	Feet:		Feet:		Feet:	
Average Daily Operating Hours						
Operation on Sea Ice (Yes/No)	Yes / No		Yes / o		Yes / No	
Vessel Registration # / State	#:	State:	#:	State:	#:	State:

Location: Offshore / Salt Water Pond connected to stream
 Stream Pond isolated from stream
 Mine cut isolated from stream

EXPLORATION TRENCHING and DRILLING

(21)

(Indicate target and trenching locations on sketch sheet and/or topographic map)

Trenching: **Yes** **No**

Estimated number of trenches to be excavated: _____ . How long will trenches be open? _____ .

Average Size: Length: _____ Feet Width: _____ Feet Depth: _____ Feet

Drilling: **Yes** **No**

Total Number of Holes To Be Drilled: _____ Type of Drill(s) Used: _____

Estimated Maximum Depth: _____ Feet Diameter of Drill Rod/Casing Rod _____ (NQ/HQ/H, Etc.).

Will water be used? Yes No Indicate how many pumps per water source: _____

Water source name(s): _____

Describe detailed drill plan, closure, plugging methodology, reclamation and abandonment in project narrative.

Trench/Drilling Location and Mining Claim Information			
Trench/Drill ID on Map	ADL/BLM/USMS NUMBER	Decimal Degrees, NAD 83 Datum	
		Latitude	Longitude (approximate)

If more than 8 trenches/drill sites, please provide data in tabular format (http://dnr.alaska.gov/mlw/forms/19apma/AHEA_ReclamationSpreadsheet.xls.)

EXPLOSIVES

(22)

Will explosives be used? Yes No If "Yes", Indicate: Type: _____ Amount: _____.

Explosive Handler's Certification/ATF Permit Numbers: _____

Describe your blast design, blast schedule, and explosives handling plan in the project narrative.

DAMS

(23)

Definition of "dam" as described in AS 46.17.900(3). Note: Height should be measured from the lowest point at either the upstream or downstream toe of the dam to the crest of the dam.

No dam required Existing To be constructed

Proposed Structure: Temporary Permanent

Purpose: Makeup water pond Settling/recycle pond Stream diversion Other: _____

Length: _____ ft Height: _____ ft Width At Crest: _____ ft Width At Base: _____ ft

Calculated Water impoundment capacity: _____ acre-feet

IN-STREAM ACTIVITIES and STREAM CROSSINGS

(24)

List any equipment that will be crossing streams or used in-stream (refer to Box 14 if necessary):

List all stream crossings, suction dredge or pump locations, including unnamed streams.

	Stream Name/ Water Source	NAD 83 Datum (approximate) Coordinates can be obtained using Alaska Mapper http://dnr.alaska.gov/mapper/controller		MTRSC ¼ ¼ Ex: F001S001N01 SWSW	Check boxes to indicate type(s) of activity		
		Latitude ddd.mmmm	Longitude -ddd.mmmm		Crossing	Dredging	Water Intake
1.							
2.							
3.							
4.							
5.							

If in-stream activities and/or stream crossings are requested at more than 5 locations, please provide tabular data format (DNR template available at <http://dnr.alaska.gov/mlw/forms/?tab=mining>).

Estimated hours per day that pump(s) will be used, return line size (in inches), operating pump rate (in gallons per minute), and water usage days per month:

Pump #1: _____ hrs/day _____ inches _____ gpm _____ days/month
Pump #2: _____ hrs/day _____ inches _____ gpm _____ days/month
Pump #3: _____ hrs/day _____ inches _____ gpm _____ days/month

D. CAMP WATER USE.

Is camp water used? Yes No

Maximum number of persons present in camp at a time _____

Camp water source: Well Haul Stream Spring Lake

Name of water source (if any): _____ .

Camp pump intake diameter: _____ Camp pump rate: _____ gpm _____ hrs/day

E. EXPLORATION ACTIVITIES.

Is water required for exploration activities? Yes No

If **YES**, What types of exploration activities are being performed? Trenching Drilling

If **YES**, How many total pumps are used in the exploration activities? _____ (Max pumps per source).

Estimated hours per day that pump(s) will be used, return line size (in inches), operating pump rate (in gallons per minute), and water usage days per month: Pump #1: _____ hrs/day _____ inches _____ gpm _____ days/month

A map of your requested drilling water sources is required with the following information:

- MTRS sections,
- stream reaches or other water sources (please label, including take points if known)
- and drill hole locations

F. SUCTION DREDGING.

If suction dredging activity is occurring please ensure that you have completed the dredge table in Section **(20) MINING METHOD.**

**TIMBER CLEARING AND USE
(Operations on State Lands Only)**

(26)

Pursuant to AS 38.05.255, timber from land open to mining without lease, except "timberland", may be used by a mining claimant or prospecting site locator for the mining or development of the location or adjacent claims under common ownership. Timber not used for the mining or development of the location or adjacent locations, that is removed from the operation must be acquired via timber sale or written letter of non-objection from the Alaska Division of Forestry.

On other lands ("timberlands" and in areas that are closed to mining without lease), timber cleared, used and/or removed must be acquired via a timber sale or a written letter of non-objection from the Alaska Division of Forestry.

Will timber be used for the mining or development of the location or lease? Yes No If yes, continue:

Describe the timbered area or areas to be cleared; include a map or drawing of the areas of timber to be cleared.

Describe the amount of timber to be used for the mining or development of the location or lease and the clearing methods you will use.

Are more than 40 acres of timbered area(s) to be cleared? Yes No

11 AAC 86.145. "A classification or designation indicating that timber and other forest products of significant value are included within a mining property is prima facie evidence that the land on which the property is located is considered to be "timberlands" for purposes of AS 38.05.255"

WASTEWATER DISCHARGE PERMIT APPLICATION

(27)

All mechanical placer mine, suction dredge, and mechanical dredge operations that discharge to a water of the U.S. require an Alaska Pollutant Discharge Elimination System (APDES) permit from DEC. See Cover Pages for a list of APDES permit fees.

Operations wishing to discharge under the APDES Small Suction Dredge General Permit (dredges with intake diameters of 6" or less, or highbankers) may skip this section but must complete annual online registrations, including \$25 fee payments, at <http://alaska.gov/go/2MPF>.

Previously issued DEC-APDES Wastewater discharge permit #: _____

Do you want this APMA to act as an application or renewal for any of the following APDES general permits (GPs)*:

- Mechanical Placer Miners GP (open-cut terrestrial operations): Yes No
- Medium-Size Suction Dredge GP (nozzle diameter greater than 6" to 10"): Yes No
- Norton Sound Large Dredge GP (nozzle diameter greater than 10" or mechanical dredge): Yes No

Waterbody the discharge flows directly into, or would potentially flow: _____

Approximate coordinates of mine site:

Latitude: _____ Longitude: _____

Source (e.g., DNR - Alaska Mapper): _____

*Mechanical placer operations that do not elect coverage under the Mechanical Placer Miners GP may be required to obtain coverage under the Multi-Sector General Permit for Storm Water. Contact DEC to terminate a permit.

Optional* - Mixing Zone Request or Termination for Mechanical Placer Mine Operations

Do you wish to apply for a mixing zone and modified turbidity limit from DEC? Yes No

If a mixing zone is requested, provide the following:

Coordinates of discharge location: Latitude: _____ Longitude: _____.

Maximum Effluent Flow anticipated from your operation _____ (GPM) [must be greater than zero (0)].

Distance to nearest downstream drinking water source _____ and downstream placer mine _____.

Do you wish to terminate an active authorized mixing zone? Yes (APDES# _____) No

*A mixing zone authorizes an increase in the permit's turbidity limit based on available dilution from the surface water. Permittees without mixing zones must meet the water quality standard for turbidity at the point of discharge into the surface water.

Certification Statement – applicable only to information required for DEC authorizations (required for all DEC permit or mixing zone applicants)

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Signature of Responsible Party: _____

Responsible Party Name (First Last, Position) - Printed: _____

Business Name (if applicable) - Printed: _____

STREAM DIVERSION

(29)

A MAP OF COMPLETE STREAM DIVERSION IS REQUIRED: Plan Map of Operation included in the APMA should show the entire length of the diversion (i.e. where the water is diverted from the natural stream channel to where it returns to the natural stream channel) with start and end locations clearly marked.

Please note: If you have a stream diversion structure; this structure may also qualify as a dam and be subject to the Alaska Department of Natural Resources Dam Safety Program per definitions provided in AS 46.17.900(3). Complete Section 24 (regarding a Dam) of this APMA. If you require further regulatory guidance regarding dams, please contact our Dam Safety and Construction Unit, Dam Safety Engineer at telephone number 907-269-8636 or for more information go to the Alaska Dam Safety Program website at: <http://dnr.alaska.gov/mlw/water/dams/index.cfm>

Is stream diversion required? Yes (if **YES**, complete information below). No

Stream Name: _____

Existing (Date Constructed _____) To Be Constructed (Date _____)

If a diversion is required or pre-existing, please contact your local ADF&G, Habitat Section for Fish Habitat Permitting information. To facilitate permit issuance, please provide the following information:

Is Stream Diversion? Permanent Temporary _____ year(s) _____ months

Will diversion be reclaimed annually prior to freeze-up or be retained throughout the mine life?

Annually reclaimed/returned to natural stream Maintained throughout mine life

Dimensions of existing stream in diversion area:

Length _____(ft) Top Width____(ft) Bottom Width____(ft) Depth____(ft) Floodplain Width____(ft)

Dimensions of proposed diversion:

Length _____(ft) Top Width____(ft) Bottom Width____(ft) Depth____(ft) Floodplain Width____(ft)

Dominant substrate type (Choose Two): Bedrock Boulder Cobble Gravel Sand Silt/Clay

Note: Diversion should approximate the existing stream in terms of meander bends, length, depth, stream width, and floodplain width.

(Please provide plan and profile diagrams of diversion in Section 29, PLAN MAP OF OPERATION) or attach additional sheets as necessary

VICINITY MAP

Date Prepared:	Applicant Name:
STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND AND WATER	
MAP:	
Sec.(s) _____ Township _____, Range _____, Meridian _____	
Scale: 1" = _____	ADLs:
SHEET OF _____	APMA # _____

(Attach additional sheets, along with detailed explanations as necessary)

CROSS SECTION SKETCH *REQUIRED

BEFORE ACTIVITY

(31)

DURING ACTIVITY

AFTER ACTIVITY

Date Prepared:

Applicant Name:

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER**

MAP:

Sec.(s) _____ Township _____, Range _____, Meridian _____

Scale: 1" = _____

ADLs:

SHEET OF

APMA #

2019 ANNUAL RECLAMATION STATEMENT

(32)

Placer Mining
Suction Dredging
Hardrock Exploration

APMA #: _____

Complete and return this statement by December 31, 2019. If you did not operate, fill in name, check bottom box, sign and return form.

In accordance with AS 27.19 (Reclamation Act):

I, _____ hereby file an annual reclamation statement for the 2019 mining operation described in subject Application for Permits to Mine in Alaska. (Submission of this statement does not constitute reclamation approval.)

Volume of material disturbed in 2019: _____ cubic yards (includes strippings and processed material).

Sluice days last season: _____ Cubic yards of material processed daily: _____ Annually : _____

Total acreage disturbed in 2019: _____ acres. (Includes stripped areas, mining cuts, overburden and tailing stockpiles and disposal areas, temporary stream diversions, stream bypasses, and settling ponds). Federal operators should include area of camp and access roads.

Length _____ feet and Width _____ feet of stream diversion. No Diversion

Stream diversion: Temporary Permanent (check one).

Total area reclaimed in 2019: _____ acres.

Total un-reclaimed acres: _____ (This should match "total acreage currently disturbed" on the 2019 Reclamation Plan Form.)

For areas reclaimed, the following reclamation measures were used (check only measures that were used).

You must include photographs or videotapes of the completed reclamation work:

- Spread and contoured tailings
Spread topsoil, vegetation, overburden muck or fines on the surface of contoured tailings
Reestablished flood plain with stream channel in stable position
Ponds are reclaimed
Backfilled and reclaimed temporary stream diversions
Camp removed, cleaned up and left free of debris
Hardrock Exploration: Complete and submit an electronic Annual Reclamation Report

Other reclamation measures taken:

[Empty box for other reclamation measures taken]

I did not operate in 2019 and therefore did not conduct reclamation.

Relationship to Claim(s)
Owner Lessee Operator
Agent For: _____

Signed _____ Date _____

HARDROCK NARRATIVE *REQUIRED

(32, CONT)

A narrative of the operation is required. A narrative of the operation is required. Please use the space provided below or attach additional sheets as necessary to answer the following questions. Include any additional information to fully define your operation.

DESCRIBE ACCESS TO PROPERTY, DRILL/TRENCH SITES, INCLUDING LENGTH AND TYPE OF ACCESS ROUTES. DESCRIBE ACCESS RECLAMATION MEASURES TO BE CONDUCTED AND TIMELINE:

DESCRIBE EXPLORATION METHOD, SCOPE OF WORK PROPOSED, EQUIPMENT, WHEN AND WHERE ACTIVITIES WILL OCCUR, PERSONNEL HOUSING LOCATION AND CAMP DESCRIPTION:

DESCRIBE SITE PREPARATION ACTIVITIES AND PRE-RECLAMATION MEASURES:

DESCRIBE PAD CONSTRUCTION AND DIMENSIONS:

DESCRIBE DRILL WASTE AND DRILL WATER MANAGEMENT, DRILL FLUIDS AND DISPOSAL METHODS. ATTACH MSDS/SDS FOR ALL SUBSTANCES:

DESCRIBE FUEL HANDLING AT EXPLORATION SITES DRILL (PADS AND TRENCHES) AND OFF SITE (CAMP OR BASE OPERATIONS). DISCUSS SPILL PREVENTION AND RESPONSE PLAN:

DESCRIBE WATER USE INCLUDING ESTIMATE OF DAILY WATER USE:

DESCRIBE HOW THE OPERATION WILL AVOID AND/OR MITIGATE POTENTIAL IMPACTS TO FISH, WILDLIFE AND CULTURAL RESOURCES:

DESCRIBE CLOSURE, PLUGGING METHODOLOGY, SURFACE RECLAMATION AND ABANDONEMENT:

ANNUAL RECLAMATION REPORT FOR HARDROCK EXPLORATION REQUIREMENTS

The Alaska Reclamation Act AS 27.19 requires operations that disturb less than five acres to file an Annual Reclamation Statement. DNR- Mining requests that you do so by December 31st of each year that the permit is in effect. Operations that will disturb more than five acres are required to have a Reclamation Plan Approval and to submit an Annual Exploration Report detailing the exploration and reclamation actions taken during the year. Please ensure that your Annual Hardrock Exploration Report contains the following information:

- A written narrative describing your activities and the reclamation measures taken at all disturbances.
- A topographic map showing the portion of the claim block where surface disturbing exploration activities have occurred. The plan map should be at a scale of 1"= 1 mile, or other appropriate scale sufficient to illustrate: existing trails and roads; new trails and roads; drill hole locations (other than shallow auger holes); trench locations; the camp location; and, any other surface disturbances (please distinguish between reclaimed and unreclaimed features).
- A photo of representative sections of any new road or trail construction.
- A detailed description of the methods used to plug the drill holes.

DEPENDING ON YOUR LEVEL OF ACTIVITY, THE FOLLOWING REPORTING REQUIREMENTS INCLUDE A REQUEST FOR DATA IN TABULAR FORMAT

For reclamation reporting we require that operators submit requested reclamation information in tabular format.

Please use the MS Excel Workbook provided by DNR-Mining. The table is available for download at http://dnr.alaska.gov/mlw/forms/19apma/AHEA_ReclamationSpreadsheet.xls (electronic copies can be submitted via e-mail to dnr.fbx.mining@alaska.gov, dnr.anch.mining@alaska.gov or provided on other media with application packet). Contact DNR-Mining if you have questions or need assistance.

- A table of drill sites with Latitude & Longitudes in NAD 83. Included with the sites list if fuel storage is on site, if a tundra mat is present, where trash and sanitary facilities are located, if drill additives are in use, if artesian zones are encountered and if water is discharged from the drill site. Also list whether the drill site has been reclaimed. If a drill site has been reclaimed, please include how the hole has been plugged and cemented (may reference description for more detail), if there is a standing pipe, if the site has been revegetated and the date that the reclamation occurred.
- A table of sump pit sites with Latitude & Longitudes in NAD 83. Included with the sites list if there is a discharge trench and the dimensions of the pit. Also list whether the sump pit has been reclaimed.
- A table of drill water supply sites with Latitude & Longitudes in NAD 83. Included with the sites list what kind of site it is (lake, pond, stream, etc.), intake size, mesh size on intake, if the intake is completely submerged, hose color, average gallons per minute consumed and start up and stop dates.
- A photo, with appropriate caption including reference to drill site table location, of each reclaimed drill site and exploration trench.
- A list of Mining Claims by ADL# or BLM # that contain unreclaimed disturbance at the end of the year and a total acreage that remains unreclaimed.

Hardrock Exploration Statement of Need:

Alaska's mineral industry is important to the state's economy and its health is tracked by the Department of Natural Resources in part through a voluntary questionnaire <http://www.dggs.alaska.gov/minerals_questionnaire>. Your answers provided in the questionnaire are crucial to make an accurate compilation of yearly exploration and mining activities in Alaska, provided in annual *Alaska's Mineral Industry* reports <<http://www.dggs.alaska.gov/sections/minerals/>>.

Please consider submitting important information such as yearly exploration expenditures, which are not collected through any other agency. All information on the questionnaire will be considered to be confidential, unless items are clearly marked as publicly available or are already available in the public record.

2020 RECLAMATION PLAN FORM (PLACER EXPLORATION OR MINING)

<p>A. RECLAMATION PLAN</p> <p>(REQUIRED if the operation will disturb five or more acres this year, OR 50,000 cubic yards, OR if the operation has a cumulative disturbed area of five or more acres).</p>	<p>B. RECLAMATION PLAN VOLUNTARY</p> <p>(for an operation below limits shown in Box A but wanting to qualify for the statewide bonding pool. (Operations on BLM Lands and others not filing Letter of Intent).</p>	<p>C. LETTER OF INTENT (34)</p> <p>(less than five acres to be disturbed AND less than 50,000 cubic yards AND less than five acres unreclaimed area).</p>
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In accordance with Alaska Statute 27.19, reclamation is required of all mining operations. Reclamation bonding is required of operations with disturbance of 5 acres or greater. Completion of this application will meet the requirements for a "Reclamation Plan" for operations 5 acres and larger in size and for a "Letter of Intent To Do Reclamation" for operations under 5 acres. If you do not intend to use the reclamation methods presented below, you must provide additional information concerning your plans for reclamation under separate attachments.

Total acreage currently disturbed: _____ acres. This should match: "Total Unreclaimed Acres" on your 2019 Annual Reclamation Statement for Small Mines, or line #7 on your 2020 Bond Pool Renewal Form. Disturbed ground includes all unreclaimed mining and exploration activity (excluding camps and roads) since October 1991. Federal operators must include areas of camps and roads.

New acres to be disturbed in 2020 _____ acres. Total acreage (currently disturbed plus new acres): _____ acres.

Acreage disturbed by land status: _____ State (general) _____ State (Mental Health) _____ Private _____ Federal

Total acreage to be reclaimed in 2020: _____ acres; Total volume of material to be disturbed in 2020: _____ cubic yards.

Include strippings and overburden to be removed. Cubic yards = Length (yards) x Width (yards) x Depth (yards).

Reclamation will be conducted concurrently with activity. Reclamation will be conducted at the end of the season.

THE FOLLOWING RECLAMATION MEASURES SHALL BE USED:

(These measures are required by law. Those that do not apply may be crossed out; but, an explanation must be given as to why these measures are not necessary at your site.)

- Topsoil, vegetation, and overburden muck, not promptly redistributed to an area being reclaimed, will be individually separated and stockpiled for future use. This material will be protected from erosion and from contamination by acidic or toxic materials and will not be buried by tailings.
- The area reclaimed will be reshaped to blend with the surrounding area using tailings, strippings, and overburden and be stabilized.
- Stockpiled topsoil, overburden muck, will be spread over the contoured exploration sites to promote natural plant growth such that the area can reasonably be expected to revegetate within five years. Stockpiled vegetation will be spread over topsoils.
- Settling ponds located within the active flood plain and necessary for continued use during the next mining season will be protected from erosion or the fines removed.
- If the mining operation diverts a stream channel or modifies a flood plain to the extent that the stream channel is no longer stable, the stream channel will be reestablished in a stable location in the valley flood plain.
- The flood plain will be established as appropriate to accommodate seasonal high-water flood events and prevent undue erosional degradation.
- Exploration trenches will be backfilled. Brush piles, stumps, topsoil, and other organics will be spread on the backfilled surface to inhibit erosion and promote natural revegetation.
- Shallow auger holes (limited to depth of overburden) will be backfilled with drill cuttings or other locally available material in such a manner that closes the hole to minimize the risk to humans, livestock and wildlife.
- At placer drift mine closure, all mine shafts, adits, tunnels, and air vents to underground workings will be stabilized and properly sealed to ensure protection of the public, wildlife, and the environment.
- On state lands; all buildings and structures constructed, used or improved will be removed, dismantled, or otherwise properly disposed of unless the surface owner or manager authorizes that the buildings and structures may stay.
- On state lands; all scrap iron, equipment, tools, piping, hardware, chemicals, fuels, waste, and general construction debris will be removed or properly disposed of.
- Reclamation measures taken will be consistent with any alternate post mining land use approved by the Commissioner, subject to the provisions of 11 AAC 97.300(h) and the conditions (if any) of an approved reclamation plan.

IMPORTANT: 1. Alternative reclamation measures may be approved if the reclamation measures presented above are not applicable to your site. Please explain in separate correspondence. Submit a sketch and describe additional reclamation measures you propose to conduct at your operation. Reclamation measures must comply with AS 27.19.

BONDING: In accordance with AS 27.19, bonding is required for all operations having a mined area of greater than or equal to five acres on State Land. This area must be bonded for \$750.00 per acre, unless the miner can demonstrate that a third party contractor can do the needed reclamation for less. The Statewide Bonding Pool may be joined by completing a bond pool application form and meeting certain requirements. No reclamation plan approval goes into effect until the bonding pool deposit and annual nonrefundable fees are paid. Use bond form to calculate area of disturbance for bonding.

BLM requires that a reclamation plan be consistent with §43 CFR 3809.420, Performance Standards for the Surface Management regulations for Federal Operations. Refer to 43 CFR 3809 or the BLM minerals website available at <http://www.blm.gov/ak/st/en/prog/minerals.html> for more information on what is needed for a reclamation plan on Federal lands, as they may be different than those identified above.

<p>_____ Printed name (Applicant)</p> <p>_____ Signature (Applicant)</p>	<p>Relationship to Mineral Property:</p> <p>Owner Lessee Operator</p> <p>Agent For: _____</p>	<p>Date: _____</p> <p>APMA #: _____</p>
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2020 RECLAMATION PLAN FORM (HARDROCK EXPLORATION)

<p>A. RECLAMATION PLAN</p> <p>(REQUIRED if the operation will disturb five or more acres this year, OR 50,000 cubic yards, OR if the operation has a cumulative disturbed area of five or more acres).</p>	<p>B. RECLAMATION PLAN VOLUNTARY</p> <p>(for an operation below limits shown in Box A but wanting to qualify for the statewide bonding pool. (Operations on BLM Lands and others not filing Letter of Intent).</p>	<p>C. LETTER OF INTENT (35)</p> <p>(less than five acres to be disturbed AND less than 50,000 cubic yards AND less than five acres unreclaimed area).</p>
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In accordance with Alaska Statute 27.19, reclamation is required of all mining operations. Reclamation bonding is required of operations with disturbance of 5 acres or greater. Completion of this application will meet the requirements for a "Reclamation Plan" for operations 5 acres and larger in size and for a "Letter of Intent To Do Reclamation" for operations under 5 acres. If you do not intend to use the reclamation methods presented below, you must provide additional information concerning your plans for reclamation under separate attachments.

Total acreage currently disturbed: _____ acres. This should match: "Total Unreclaimed Acres" on your 2019 Annual Reclamation Statement for Small Mines, or line #7 on your 2020 Bond Pool Renewal Form. Disturbed ground includes all unreclaimed mining and exploration activity (excluding camps and roads) since October 1991. Federal operators must include areas of camps and roads.

New acres to be disturbed in 2020 _____ acres. Total acreage (currently disturbed plus new acres): _____ acres.

Acreage disturbed by land status: _____ State (general) _____ State (Mental Health) _____ Private _____ Federal

Total acreage to be reclaimed in 2020 _____ acres; Total volume of material to be disturbed in 2020: _____ cubic yards.

Include strippings and overburden to be removed. Cubic yards = Length (yards) x Width (yards) x Depth (yards).

Reclamation will be conducted concurrently with activity. Reclamation will be conducted at the end of the season.

THE FOLLOWING RECLAMATION MEASURES SHALL BE USED:

(These measures are required by law. Those that do not apply may be crossed out; but, an explanation must be given.)

- Topsoil, vegetation, and overburden muck, not promptly redistributed to an area being reclaimed, will be individually separated and stockpiled for future use. This material will be protected from erosion and from contamination by acidic or toxic materials and will not be buried by tailings.
- The area reclaimed will be reshaped to blend with the surrounding area using tailings, strippings, and overburden and be stabilized.
- Stockpiled topsoil, overburden muck, will be spread over the contoured exploration sites to promote natural plant growth such that
- Exploration trenches will be backfilled. Brush piles, stumps, topsoil, and other organics will be spread on the backfilled surface to inhibit erosion and promote natural revegetation. All exploration trenches will be reclaimed by the end of the exploration season in which they are constructed, unless specifically approved by the DMLW (Mining operations are required by law to be reclaimed as contemporaneously as practicable with the mining operation to leave the site in stable condition).
- Shallow auger holes (limited to depth of overburden) will be backfilled with drill cuttings or other locally available material in such a manner that closes the hole to minimize the risk to humans, livestock and wildlife.
- All drill hole casings will be removed or cut off at, or below, ground level. All drill holes will be plugged by the end of the exploration season with bentonite holeplug or equivalent slurry, for a minimum of 10 feet within the top 20 feet of the drill hole. The remainder of the hole will be backfilled to the surface with drill cuttings. If water is encountered in any drill hole, a minimum of 7 feet of bentonite holeplug or equivalent slurry will be placed immediately above the static water level in the drill hole. (NOTE: The operator understands that complete filling of the drill holes, from bottom to top, with bentonite holeplug or equivalent slurry is also permitted and is considered to be the preferred method of hole closure, unless communicated otherwise by DMLW.)
- If artesian conditions are encountered, the operator will take all measures practicable to prevent the offsite discharge of those waters subject to 11 AAC 97.240 and will contact the DMLW for approval of hole plugging measures.
- At closure, all shafts, adits, tunnels, and air vents to underground workings will be stabilized and properly sealed to ensure protection of the public, wildlife and the environment.
- On state lands, all buildings and structures constructed, used, or improved will be removed, dismantled, or otherwise properly disposed of unless the surface owner or manager authorizes that the buildings and structures may stay.
- On state lands, all scrap iron, equipment, tools, piping, hardware, chemicals, fuels, waste, and general construction debris will be removed or properly disposed of.
- Reclamation measures taken will be consistent with any alternative post mining land use approved by the Commissioner, subject to the provisions of 11 AAC 97.300(h) and the conditions (if any) of an approved reclamation plan.

IMPORTANT: 1. Alternative reclamation measures may be approved if the reclamation measures presented above are not applicable to your site. Please explain in separate correspondence. Submit a sketch and describe additional reclamation measures you propose to conduct at your operation. Reclamation measures must comply with AS 27.19.

BONDING: In accordance with AS 27.19, bonding is required for all operations having a mined area of greater than or equal to five acres on State Land. This area must be bonded for \$750.00 per acre, unless the miner can demonstrate that a third party contractor can do the needed reclamation for less. The Statewide Bonding Pool may be joined by completing a bond pool application form and meeting certain requirements. No reclamation plan approval goes into effect until the bonding pool deposit and annual nonrefundable fees are paid. Use bond form to calculate area of disturbance for bonding.

BLM requires that a reclamation plan be consistent with §43 CFR 3809.420, Performance Standards for the Surface Management regulations for Federal Operations. Refer to 43 CFR 3809 or the BLM minerals website available at <http://www.blm.gov/ak/st/en/prog/minerals.html> for more information on what is needed for a reclamation plan on Federal lands, as they may be different than those identified above.

<p>_____ Printed name (Applicant)</p> <p>_____ Signature (Applicant)</p>	<p>Relationship to Mineral Property:</p> <p>Owner Lessee Operator</p> <p>Agent For: _____</p>	<p>Date: _____</p> <p>APMA #: _____</p>
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2020 RECLAMATION PLAN FORM (SUCTION DREDGE)

<p>A. RECLAMATION PLAN</p> <p>(REQUIRED if the operation will disturb five or more acres this year, OR 50,000 cubic yards, OR if the operation has a cumulative disturbed area of five or more acres).</p>	<p>B. RECLAMATION PLAN VOLUNTARY</p> <p>(for an operation below limits shown in Box A but wanting to qualify for the statewide bonding pool. (Operations on BLM Lands and others not filing Letter of Intent).</p>	<p>C. LETTER OF INTENT (36)</p> <p>(less than five acres to be disturbed AND less than 50,000 cubic yards AND less than five acres unreclaimed area).</p>
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In accordance with Alaska Statute 27.19, reclamation is required of all mining operations. Reclamation bonding is required of operations with disturbance of 5 acres or greater. Completion of this application will meet the requirements for a "Reclamation Plan" for operations 5 acres and larger in size and for a "Letter of Intent To Do Reclamation" for operations under 5 acres. If you do not intend to use the reclamation methods presented below, you must provide additional information concerning your plans for reclamation under separate attachments.

Total acreage currently disturbed: _____ acres. This should match: "Total Unreclaimed Acres" on your 2019 Annual Reclamation Statement for Small Mines, or line #7 on your 2020 Bond Pool Renewal Form. Disturbed ground includes all unreclaimed mining and exploration activity (excluding camps and roads) since October 1991. Federal operators must include areas of camps and roads.

New acres to be disturbed in 2020 _____ acres. Total acreage (currently disturbed plus new acres): _____ acres.

Acreage disturbed by land status: _____ State (general) _____ State (Mental Health) _____ Private _____ Federal

Total acreage to be reclaimed in 2020 _____ acres; Total volume of material to be disturbed in 2020: _____ cubic yards.

Include strippings and overburden to be removed. Cubic yards = Length (yards) x Width (yards) x Depth (yards).

Reclamation will be conducted concurrently with activity. Reclamation will be conducted at the end of the season.

THE FOLLOWING RECLAMATION MEASURES SHALL BE USED:

(These measures are required by law. Those that do not apply may be crossed out; but, an explanation must be given.)

Stream Suction Dredge Operations:

- Reclamation will be completed prior to the end of the mining season. Reclamation will consist of leveling or contouring all gravel bar and stream bed tailings. Tailings will be left in such a manner that spring run-off will level the tailings without causing undue erosion.
- In no case will tailing piles extend more than 18 inches above the water surface at the end of the mining season.
- Prior to the end of the mining season, tailing piles, berms, or wing dams will be removed or left in such a manner to allow unrestricted passage of fish and flood waters.
- Other: _____

Offshore Suction Dredge Operations:

- Tailings discharged from the dredge to the lake, channel, sound, bay or sea floor will be placed in a manner that will approximate the adjacent floor surface. The dredge shall be moved as necessary to allow for the proper low-profile distribution of tailings.
- Tailings will be placed in a manner that will maintain a water depth suitable for safe passage of traffic.
- Other: _____

Generally:

- On all state lands, all buildings and structures constructed, used, or improved will be removed, dismantled, or otherwise properly disposed of unless the surface owner or manager authorizes that the buildings and structures may stay.
- On state lands, all scrap iron, equipment, tools, piping, hardware, chemicals, fuels, waste, and general construction debris will be removed or properly disposed of.
- Reclamation measures taken will be consistent with any alternate post mining land use approved by the Commissioner, subject to the provisions of 11 AAC 97.300(h) and the conditions (if any) of an approved reclamation plan.

IMPORTANT: 1. Alternative reclamation measures may be approved if the reclamation measures presented above are not applicable to your site. Please explain in separate correspondence. Submit a sketch and describe additional reclamation measures you propose to conduct at your operation. Reclamation measures must comply with AS 27.19.

BONDING: In accordance with AS 27.19, bonding is required for all operations having a mined area of greater than or equal to five acres on State Land. This area must be bonded for \$750.00 per acre, unless the miner can demonstrate that a third party contractor can do the needed reclamation for less. The Statewide Bonding Pool may be joined by completing a bond pool application form and meeting certain requirements. No reclamation plan approval goes into effect until the bonding pool deposit and annual nonrefundable fees are paid. Use bond form to calculate area of disturbance for bonding.

BLM requires that a reclamation plan be consistent with §43 CFR 3809.420, Performance Standards for the Surface Management regulations for Federal Operations. Refer to 43 CFR 3809 or the BLM minerals website available at <http://www.blm.gov/ak/st/en/prog/minerals.html> for more information on what is needed for a reclamation plan on Federal lands, as they may be different than those identified above.

<p>_____ Printed name (Applicant)</p> <p>_____ Signature (Applicant)</p>	<p>Relationship to Mineral Property:</p> <p>Owner Lessee Operator</p> <p>Agent For: _____</p>	<p>Date: _____</p> <p>APMA #: _____</p>
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CHECK LIST FOR COMPLETING DETAIL(S) OF OPERATIONS

Sketch your complete plans in detail, and included the following items as necessary

PLAN OF OPERATIONS MAP(S):

-] NORTH ARROW
-] SCALE BAR
-] TOPOGRAPHY – USGS enlargements or equivalent
-] CLAIM LOCATIONS – Only indicate ADL/BLM numbers and boundaries of claims where activities occur
-] STREAMS – Transfer names as necessary
-] IN STREAM ACTIVITIES AND STREAM CROSSINGS
-] MINING CUTS - Indicate dimensions, and sequence of mining, active cuts, areas currently stripped, and areas planned to be strip, areas to be reclaimed, and areas previously reclaimed
-] SIZE OF VALLEY - indicate, with dotted lines, the approximate width of the valley floor
-] OVERBURDEN STOCKPILES – include dimensions
-] TAILINGS DISPOSAL AREAS
-] SUCTION DREDGE LOCATIONS
-] EXPLOSIVE STORAGE
-] FUEL STORAGE AREA - indicate location with respect to flowing waters
-] EXISTING AND PLANNED ROADS AND TRAILS
-] EXISTING AND PLANNED TRENCHES
-] EXISTING AND PLANNED DRILL HOLES
-] TAKE POINTS FOR WATER - Label points for camp, mechanical placer mining, and any other site
-] DAMS
-] SETTLING PONDS - dimensions, sequence of use, discharge location, and recycle pump
-] CAMP FACILITIES or STRUCTURES indicate dimensions, type, and purpose of each structure
-] SANITARY AND SOLID WASTE – for example your outhouse; trash collection; etc
-] STREAM DIVERSIONS
-] SKETCH OF SUCTION DREDGE/BUCKET DREDGE (Offshore Nome operators only)

ACCESS MAP:

-] NORTH ARROW
-] SCALE BAR
-] TOPOGRAPHY – USGS enlargements or equivalent
-] CLAIM LOCATIONS – Indicate ADL/BLM numbers and boundaries of the claim block
-] STREAMS – Transfer names as necessary
-] EXISTING AND PLANNED ROADS AND TRAILS – Other than your access to the claim block

CROSS COUNTRY ROUTE MAP:

-] NORTH ARROW
-] SCALE BAR
-] TOPOGRAPHY – USGS enlargements or equivalent
-] CLAIM LOCATIONS – Indicate ADL/BLM numbers and boundaries of the claim block
-] STREAMS – Transfer names as necessary
-] START AND STOP POINTS OF TRAVEL – may label as A to A' or simply "start" and "stop."
-] STAGING OR EQUIPMENT STORAGE AREAS – Indicate where equipment will be staged or stored in support of cross country travel activities.

Example Narrative

Mechanical Placer Mining:

The mining operation is designed to economically recover gold and complete acceptable reclamation. The mine layout is directly related to reclamation. Mining will progress in the following steps -- see sketch:

- 1) A stream diversion, 800' x 10', will be constructed on the left limit (facing downstream) of the operation. The [temporary or permanent] diversion will be constructed to accommodate high water events (at least a 2-year flood interval) including break-up without bank erosion and will remain in place for _____ years or _____ mining seasons.
- 2) Surface waters will be directed away from the work site with berms and ditches. Water from the cut and surface water on site will be directed into settling ponds. Process water will be recycled in settling ponds.
- 3) Vegetation, including trees, brush, tundra, etc., will be separated from topsoil and overburden gravel and stockpiled in such a manner as to avoid erosion. Stockpiles will be 200' x 25' x 15', located on the right limit of each cut.
- 4) Topsoil will be separated and stockpiled next to the vegetation stockpiles. A space will be maintained between the stockpiles so that topsoil can be re-spread before the vegetation. Each topsoil stockpile will be 200' x 25' x 15', located on the right limit of each mining cut.
- 5) Gravel overburden will be used to reconstruct the stream channel and cap ponds. Gravel will be stored in the following manner:
 - a) Gravel from each cut will be pushed into the previously mined cut forming a dike for the next recycle pond. The dike will be constructed in such a manner that the largest portion of the pond will be immediately below the processing plant on the right limit. This places the pond sediment away from the reclaimed stream channel. The return portion of the pond will be narrow, one dozer blade width, forcing the fines to settle in the large pond area.
 - b) A stockpile of gravel, 200' x 25', will be placed on the left limit of the mine cuts and used to reconstruct the stream channel in the left limit of the ponds.
- 6) Coarse tailings will be pushed onto the pond dike and used to cap ponds.

Mechanical Placer Mining Reclamation:

Reclamation will progress in the following steps:

- 1) Ponds will be drained slowly with care taken not to lose sediment.
- 2) Reestablished streams will not run through reclaimed settling ponds. The stream will be reestablished to the left limit of the ponds (NO streams running through the settled fine material). All sediment will be bailed out and a stable stream channel will be established using tailings stockpiled in the center and left limit of the ponds. The flood plain will be wide enough to prevent erosion during high water events and maintain fish passage. For this stream, the reconstructed flood plain will consist of a stream bed 20' wide with side banks 20' wide. The banks will have a 20:1 foot slope. The diversion will be filled and vegetation respread.
- 3) The remaining tailing stockpiles will be used to cap the large portion of the pond and/or stabilize any remaining pond areas from erosion. To minimize erosion, final shaping will be done across the slope rather than up and down.
- 4) Banks of ponds will be flattened out to allow natural revegetation and avoid erosional degradation. The banks will have a slope of 20:1 feet.
- 5) Topsoil will then be respread over the tailings.
- 6) Finally, vegetation will be respread over topsoil. The vegetation will trap seeds and moisture as well as reduce erosion.

Example Narrative

Hardrock Exploration:

- 1) Access to drill and / or trench sites, including type and length of access routes. Include a reference to the map showing existing and new roads, trails, airstrips, river routes and landings.
- 2) Exploration activities including type(s) of equipment to be used, when and where activities will occur.
- 3) Measures taken to prepare for reclamation upon completion of exploration activities, such as stockpiling organic materials.
- 4) Drill sites. Include pad construction methods. Include a reference to the map showing drill site locations.
- 5) Drill fluid disposal. Include MSDS sheets.
- 6) Trench excavation methods and location. Include a reference to the map showing trench locations.
- 7) Fuel handling at exploration sites (drill pads and trenches) and off site (camp or base of operations).
- 8) Indicate if there is a spill prevention and response plan in place.
- 9) Water use. Reference the map showing water withdrawal locations. State estimated daily water use and measures planned to prevent fish entrapment.
- 10) Cultural resource clearing. If needed, indicate measures take to avoid disturbance archaeological sites. Contact Mark Rollins at the State Historic Preservation Office if you need assistance determining whether or not you need to address cultural resource clearing. (907) 269-8722 or mark.rollins@alaska.gov

Hardrock Exploration Reclamation:

- 1) Plan for reclamation of disturbed areas.
- 2) Cuttings management and drill hole plugging methods and materials.
- 3) Trench reclamation.
- 4) Trash disposal.
- 5) Methods proposed to promote the establishment of vegetation (measures can including promotion of natural growth by stockpiling & redistribution of organic material).
- 6) Disturbance calculations. Describe how acres of disturbance are calculated for drill pads, trenches, roads, trails and camps).
- 7) For bonding purposes, please indicate the amount of existing and proposed disturbance.

Hardrock Exploration Statement of Need:

Alaska's mineral industry is important to the state's economy and its health is tracked by the Department of Natural Resources in part through a voluntary questionnaire <http://www.dggs.alaska.gov/minerals_questionnaire>. Your answers provided in the questionnaire are crucial to make an accurate compilation of yearly exploration and mining activities in Alaska, provided in annual *Alaska's Mineral Industry* reports <<http://www.dggs.alaska.gov/sections/minerals/>>.

Please consider submitting important information such as yearly exploration expenditures, which are not collected through any other agency. All information on the questionnaire will be considered to be confidential, unless items are clearly marked as publicly available or are already available in the public record.

Example Narrative**Suction Dredging:**

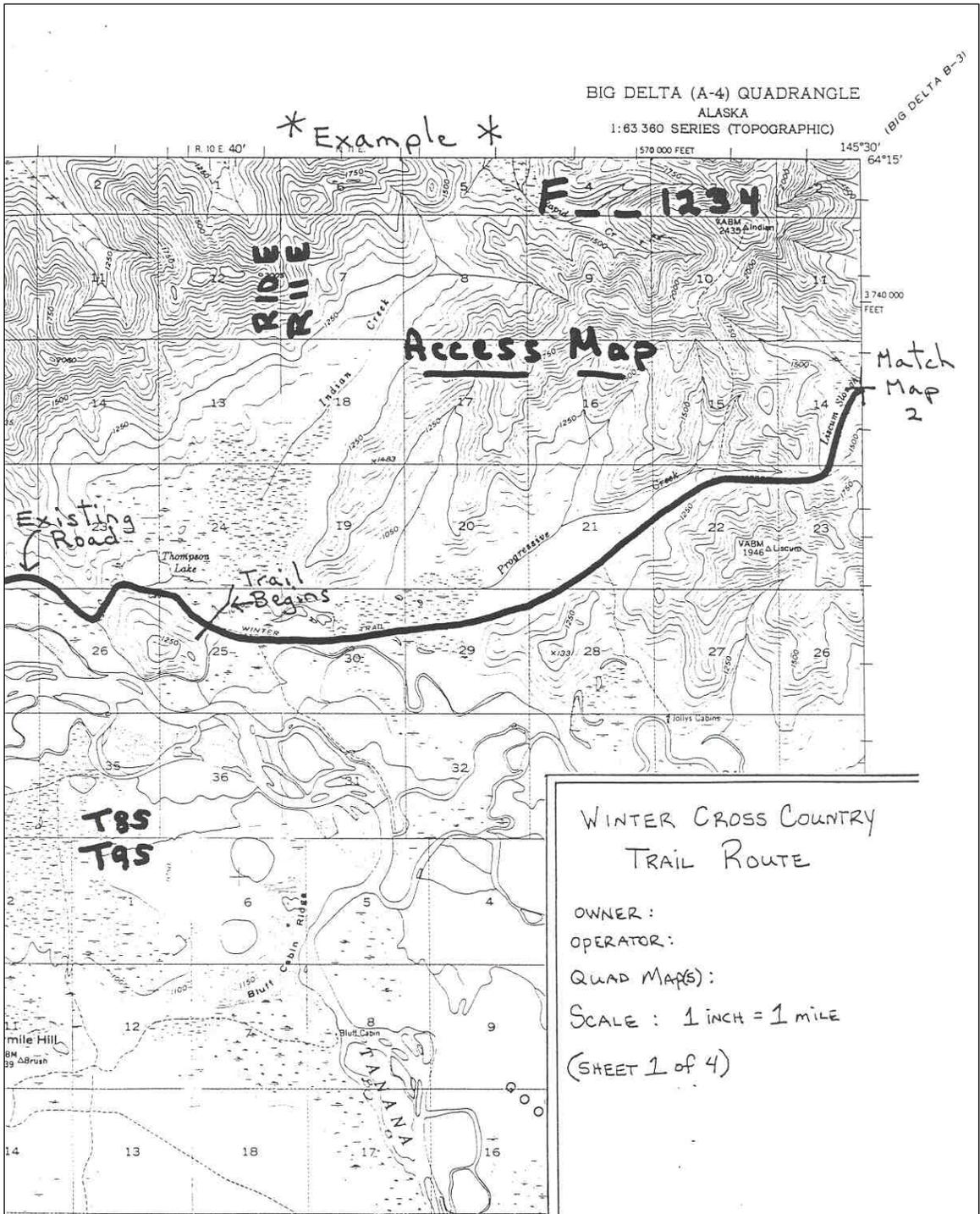
The mining operation is designed to economically recover gold and complete acceptable reclamation. The mine layout is directly related to reclamation. Mining will progress in the following steps -- see sketch:

- 1) We will be operating a suction dredge with an 8" nozzle and a 36 hp motor. The maximum depth will not exceed 10 feet. Material will be washed and processed in 2'X 4' sluice box and deposited back on the water body floor.
- 2) Operations are beginning early June or as soon as the ice gone and will continue throughout the mining season.
- 3) Access to mine site is via all season road. We will launch our 16' boat from public boat launch and travel upstream to mining claims. Camping structures will consist of a removable wall tent.

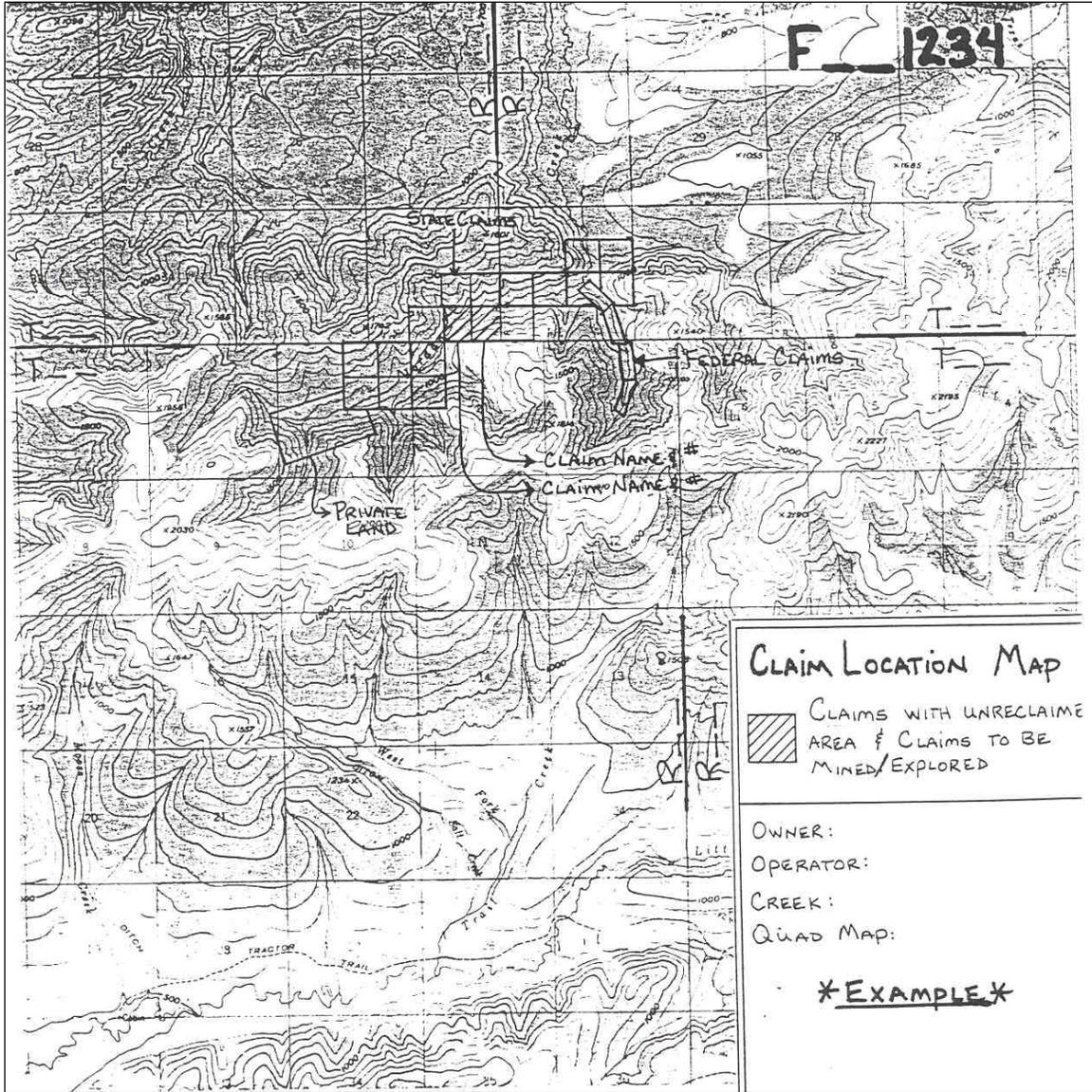
Suction Dredging Reclamation:

Reclamation will progress in the following steps:

- 1) Reclamation will be concurrent with mining. All dredge tailings will be returned to approximately the same location from which they were dredged. Reclamation shall consist of leveling or contouring any tailing piles, contouring gravel bar and stream bed tailings in a manner that will approximate the adjacent bottom surface.

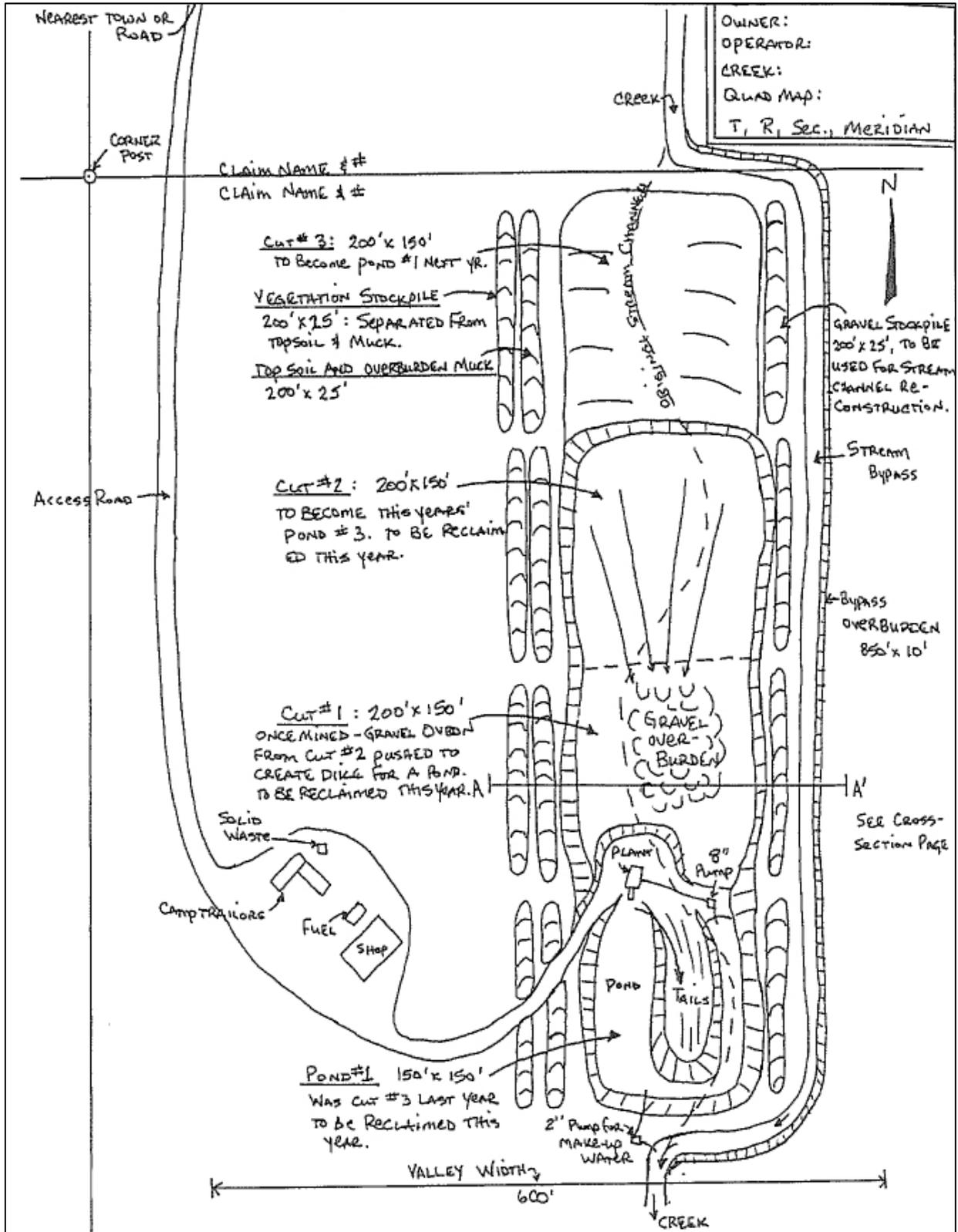


Example of Access Map



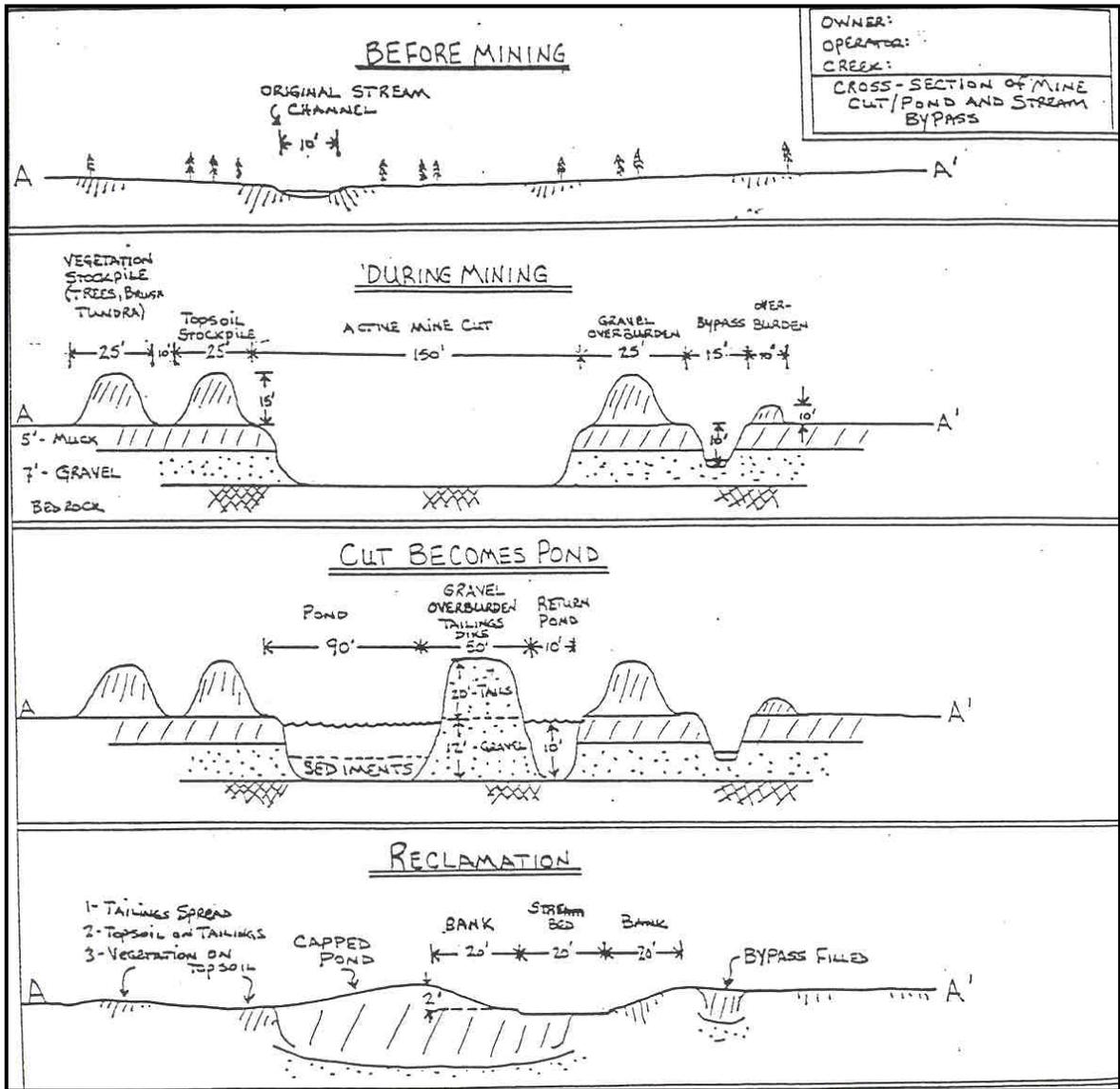
Example of Claim Location Map

Example of Plan of Mechanical Placer Mining



(Attach additional sheets and narrative as necessary)

Example of plan of operations cross-section sketch sheet



(Attach additional sheets and narrative as necessary)

NOTICE OF OPERATOR AUTHORIZATION -- STATE MINERAL LOCATIONS

All operators or lease holders submitting APMA's for operations on State mineral locations must submit a "Notice of Authorization" from the owner of record. This notice of authorization must name the operator and leaseholder (if different), the claims(s) by Name and ADL number(s), and the time frame (beginning and ending dates) for which the authorization remains in force. The Division of Mining, Land & Water will not issue any mining permits until we receive this Notice of Authorization. **Please include it with your APMA.**

OPERATOR AUTHORIZATION

I, _____, OWNER of state claim(s) :

<u>Claim Name</u>	<u>ADL Number</u>	<u>Claim Name</u>	<u>ADL Number</u>	<u>Claim Name</u>	<u>ADL Number</u>
_____	_____	_____	_____	_____	_____

(Attach additional sheet if necessary)

Have authorized _____.

Address of Operator _____.

to operate on these claims from ___ / ___ / ___ to ___ / ___ / ___.

Owner's Signature _____ Date _____

NOTARY

Subscribed and sworn to before me this _____ day of _____, 20____.

For (owner)

(Signature of Notary) _____.

My commission expires:

OR (If the LESSEE and OPERATOR are not the same, both sections must be completed)

I, _____, LESSEE of state claim(s) :

<u>Claim Name</u>	<u>ADL Number</u>	<u>Claim Name</u>	<u>ADL Number</u>	<u>Claim Name</u>	<u>ADL Number</u>
_____	_____	_____	_____	_____	_____

(Attach additional sheet if necessary)

have authorized _____ to operate on these claims from ___ / ___ / ___ to ___ / ___ / ___.

Lessee's Signature _____ Date _____

Lessee's Address _____.

NOTARY:

Subscribed and sworn to before me this _____ day of _____, 20 ____.

For (Lessee)

(Signature of Notary) _____.

My commission expires:

The following is an **EXAMPLE** of what a Nome Offshore Mining Lease could say. This is only an example and could change based on the specific lease tract.

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER**

Offshore Mining Lease

LEASE N0.3, ADL XXXXXX

This offshore mining lease is entered into between the State of Alaska (referred to in this lease as "the State") and (NAME) (referred to in this lease as "the lessee", whether one or more), whose address is

**(INDIVIDUAL OR BUSINESS
ADDRESS)**

The state and the lessee agree as follows:

1. GRANT. (a) Subject to the provisions of this lease, including any stipulation(s) attached to this lease, the state grants to the lessee
(1) the exclusive right to mine, extract, remove and dispose of all minerals subject to AS 38.05.250 (referred to in this lease as "locatable minerals"), in or upon the following described tract of land:

(LEGAL LAND DESCRIPTION OF TRACT)

containing approximately X acres, more or less (referred to in this lease as the "leased area");

(2) the exclusive right to explore for locatable minerals within the leased area; and
(3) subject to the lessee obtaining all required and necessary permits and subject to all other terms of this lease, the right to prospect for and mine all locatable minerals from the above described tide and submerged lands, as may be reasonably necessary for the basic processing of locatable minerals on the leased area.

(b) Subject to the lessee's compliance with the requirements set out in paragraphs 9 and 10 (GENERAL PERMITTING REQUIREMENTS and PLAN-OF-OPERATIONS) the lessee may mine and remove locatable minerals by any method consistent with good mining practice. In addition, the rights granted by this lease are to be exercised in a manner that will not unreasonably interfere with the rights of the state or of its permittees, lessees, or grantees, consistent with the principle of reasonable concurrent uses as set out in article VIII, section 8 of the Alaska Constitution.

(c) If the state's ownership of the locatable minerals within the leased area is less than the entire and undivided interest, the grant under this lease is effective only as to the state's

interest in the locatable minerals. The rentals provided for in this lease must be paid to the state in the proportion that the state's interest bears to the entire undivided interest. In addition, royalties shall only be due on net income from the sale of locatable minerals to the extent the state has an interest in those minerals.

2. RESERVED RIGHTS. (a) The state, for itself and others, reserves all rights not expressly granted to the lessee by this lease. These reserved rights include:

(1) the right to explore for, develop, lease, and remove from the leased area all minerals other than locatable minerals,

(2) the right to establish or grant easements and rights-of-way upon, through, or in the leased area for any lawful purpose, including, pipelines, utility lines, and drill holes necessary or convenient for the working of the leased area for natural resources other than locatable minerals or necessary or convenient for access to or the working of other land for any purpose;

(3) the right to manage and to convey to third parties by grant, lease, permit, or otherwise, any and all interests in the leased area other than those granted by this lease, provided that any conveyance to a third party is made subject to the provisions of this lease.

(b) The rights reserved pursuant to paragraph 2 (a) shall not be exercised in any manner that unreasonably interferes with lessee's operations under the lease. The state shall provide lessee with prior notice of the state's intent to exercise any rights reserved under paragraph 2 (a) and the opportunity to comment on the proposed exercise of these rights. The parties shall work cooperatively to identify potential conflicts and the state shall require as a condition to the state or any other party's exercise of any reserved rights, such stipulations as appear necessary to avoid unreasonable interference with lessee's enjoyment of this lease or endangerment of lessee's operations.

3. TERM. This lease is issued for a term of ten (10) years from its effective date, and is subject to renewal as provided in AS 38.05.250, 11 AAC 86.532 and 11 AAC 86.575. Production in paying quantities must be achieved before the end of the primary term of the lease. Thereafter, production must be continuous through the normal Nome offshore mining season, excluding downtime due to poor weather, equipment failure, and similar short-term delays.

4. ANNUAL LABOR. (a) Labor shall be performed or improvements made annually on or for the benefit or development of each offshore mining lease on state land. Where adjacent mining leases are held in common, the expenditure may be made on any one mining lease and credited to all leases held in common which are subject to a common plan of development.

(b) Labor shall be performed at the annual rate of \$100 for each partial or whole 40 acres of each mining lease. If more work is performed than is required by this section to be performed in any one year, the excess value may be applied against labor required to be done during the subsequent year or years, for as many as four consecutive years. Instead of performing annual labor, the lessee may make a cash payment to the state equal to the value of the labor required by this subsection.

(c) During the year in which annual labor is required or within 90 days after the close of that year, the lessee or some other person having knowledge of the facts shall record with the recorder of the district in which the mining lease is located a signed statement setting out the information, as required by the commissioner, concerning the annual labor of the preceding year, any labor in excess of that required for the preceding year, and any payment of cash instead of annual labor.

5. RENTAL. The annual rent due under the lease shall be determined according to 11 AAC 86.541. The rental shall be paid each year in advance and is subject to adjustment under AS 38.05.211(d).

6. PRODUCTION ROYALTY. In exchange for and to preserve the right to extract and possess minerals produced, the lessee shall pay a royalty on all minerals, to the extent the state holds title to such minerals, produced from the lease during each year. The production royalty is three percent (3%) of net income as determined under AS 38.05.212, AS 43.65 and regulations adopted under these statutes, adjusted to reflect that net income attributable to those minerals in which the state holds an interest and which were produced under the lease.

7. RECORDS. (a) The lessee shall keep all records necessary to support statements of annual labor, and for a period of six years, accounting data and information for production royalty payments. Upon request, copies of those records must be submitted to the Division of Mining, Land and Water at the address shown in paragraph 22 of this lease.

(b) Upon the lessee's request, the state will keep information submitted to the state under this paragraph confidential in accordance with AS 38.05.035(a)(8).

8. PAYMENTS. All payments to the state under this lease must be made payable to the Alaska Department of Natural Resources in the manner directed by the state, and, unless otherwise specified upon 60 days' notice to the lessee, must be mailed to the address specified below.

**Department of Natural Resources
Division of Mining, Land & Water
Mineral Property Management
550 W. 7th Ave, Suite 900B,
Anchorage, AK 99501-3557**

9. GENERAL PERMITTING REQUIREMENTS. Before activities requiring state, federal or municipal agency permits or authorizations occur under this lease, all required state, federal and municipal agency permits and other authorizations must be issued.

10. PLAN-OF-OPERATIONS. (a) A plan-of-operations, as provided under regulations 11 AAC 86.800 must be submitted to and approved by the state before activities requiring a plan of operations may occur under this lease.

(b) As part of the plan-of-operations, an approved reclamation plan as required under AS 27.19.010 - 100 and 11 AAC 97 must also be submitted to and approved by the state before activities may occur under this lease.

(c) All of the lessee's activities on the leased area must be in conformance with the approved plan-of-operations insofar as a plan of operations is required.

11. TITLE OF THE STATE; ACCESS. The state makes no representations or warranties, express or implied, as to title to, access to, or quiet enjoyment of the leased area. The state is not liable to the lessee for any deficiency in title to or difficulty in securing access to the leased area. The lessee or any successor in interest to the lessee is not entitled to any refund of prior rentals paid under this lease due to deficiency in title and is not entitled to a refund of rentals paid under this lease due to difficulty in securing access. However, the Department of Natural Resources will attempt to provide legal access across land it manages for purposes reasonably related to the

activities of the lessee under this lease and along previously used routes and routes to be approved by the state, to be granted in accordance with state statutes and regulations.

12. CONDUCT OF OPERATIONS. The lessee shall perform all activities under this lease in a lawful, prudent, and skillful manner under the plan of operations and other required permits. The lessee shall carry out at the lessee's expense all lawful orders and requirements relative to the lessee's occupation and use of the leased area. If the lessee fails to carry out these orders and requirements, the state has, together with any other available legal recourse, the right to enter the leased area to repair damage or prevent waste at the lessee's expense.

13. BINDING EFFECT. This lease and all of its provisions and any attached stipulations extend to and are binding on the heirs, executors, administrators, successors, or assigns of the state and the lessee.

14. INSPECTION. The lessee shall keep available at all reasonable times and with prior reasonable notice for inspection by any authorized representative of the state, the leased area, all improvements, machinery, and fixtures on the leased area, and all reports and records required by law and by paragraph 7 of this lease, except for such documents which are protected under any law, regulation or rule of court. The lessee shall permit the state to copy and make extracts from any such reports and records. All documents entitled to confidentiality pursuant to paragraph 7 (b) above shall be kept confidential by the state in accordance with state law.

15. ASSIGNMENT. The lessee may assign, sublease, or transfer this lease, or any interest in or rights under this lease, only upon approval of the state as provided by 11 AAC 82.605.

16. SURRENDER. The lessee may at any time surrender all or part of the leased area under 11 AAC 86.561.

17. DEFAULT AND TERMINATION. (a) The failure of the lessee to timely perform its obligations under this lease, or the failure of the lessee otherwise to abide by all express or implied provisions of this lease, is a default in the lessee's obligations under this lease. Whenever the lessee fails to comply with any of the provisions of this lease, and fails to cure the default or to begin and diligently continue to remedy the default within 30 days after receipt of written notice of the default and an opportunity to be heard, the state may order suspension of activity on the leased area until compliance is achieved, and may terminate this lease after additional written notice and an opportunity to be heard.

(b) After termination of this lease for any reason, the state may, if not adequately covered by a bond issued pursuant to paragraph 20 below, take possession of the property, improvements, and equipment of the lessee on the leased area as security for the payment of rent due, or to indemnify against any loss or damage sustained by reason of the default of the lessee.

18. RIGHTS AND OBLIGATIONS UPON TERMINATION. (a) Unless the state has invoked its rights under paragraph 17(b) of this lease or has otherwise directed, under the terms of this lease, within one year after the termination of this lease or the completion of reclamation, whichever is later, as to all or any portion of the leased area, the lessee shall remove from the leased area or portion of the leased area all machinery, equipment, structures, tools, and materials owned or placed on the leased area by the lessee. Upon the expiration of that period and at the option of the state, any machinery, equipment, structures, tools, or materials that the lessee has not removed from the leased area or portion of the leased area become the property of the state and may be removed by the state at the lessee's expense.

(b) Subject to the conditions set out in this paragraph, the lessee shall deliver up the leased area or portion of the leased area in accordance with the approved plan of operations and reclamation plan.

19. DAMAGES AND INDEMNIFICATION. (a) The lessee agrees to comply with AS 38.05.130 before exercising rights if any, reserved by the state pursuant to AS 38.05.125 prior to the date(s) of location of the mining locations subject to this lease and which are granted by this lease. The lessee agrees to pay for any damages that may become payable under AS 38.05.130 by reason of lessee's exercise of these rights or by reason of the lessee's failure to comply with the reasonable concurrent use requirements of paragraph 1(b) of this lease and article VIII, section 8 of the Alaska Constitution and to indemnify the state and hold it harmless from and against any claims, demands, liabilities, and expenses arising from or in connection with such damages.

(b) The lessee shall indemnify the state for, and hold it harmless from, any claim, demand, liability, or expense, including claims for loss or damage to property or injury to any person, caused by or resulting from any act or omission committed under this lease by or on behalf of the lessee, including acts of omissions of independent contractors. The lessee is not responsible to the state under this subparagraph for any loss, damage, or injury caused by or resulting from the sole negligence of the state or anyone acting on the state's behalf.

(c) The lessee expressly waives any defense to an action for breach of a provision of this lease, or to an action for damages, where such defense is based on the fact that the act or omission complained of was committed by an independent contractor.

20. BOND. The state may require a bond as provided in AS 27.19.040 and its implementing regulations, and 11 AAC 86.805.

21. AUTHORIZED REPRESENTATIVES. The director of the Division of Mining and Water Management, Department of Natural Resources, State of Alaska, and the person executing this lease on behalf of the lessee will be the authorized representatives of their respective principals for the purposes of administering this lease. The state or the lessee may change the authorized representative or the address to which notices to that representative are to be sent by a notice given in accordance with paragraph 22. When activities under a plan of operations are underway, the lessee shall also designate, in a notice under paragraph 22, by name, job title, and address, an agent who will be present in the state during all lease activities.

22. NOTICE. (a) Any notice required or permitted under this lease must be in writing or by an electronic medium producing a permanent record and must be given personally or by registered or certified mail, return receipt requested, addressed as follows:

TO THE STATE:

**Mineral Property Manager,
Division of Mining, Land and Water**

**Department of Natural Resources
550 W. 7th Avenue, Suite 900B
ANCHORAGE, ALASKA 99501-3577**

TO THE LESSEE:

(Address of the Lessee)

(b) Any notice given under (a) of this paragraph will be effective when received by the representative specified in (a).

23. STATUTES AND REGULATIONS. This lease is subject to all applicable state and federal law, including statutes and regulations in effect on the effective date of this lease; and

) ss.
Third Judicial District)

This is to certify that on _____, 20____, before me appeared _____ of the Division of Mining, Land and Water of the State of Alaska, Department of Natural Resources, who executed this lease and acknowledged voluntarily signing it on behalf of the State of Alaska as lessor.

Notary public in and for Alaska
My commission expires:

EXAMPLE STIPULATIONS

OFFSHORE MINING LEASE

1. **Subsistence.** The State reserves the right to require studies of the cumulative impacts of mining, both within and adjacent to the lease area, on subsistence uses. These studies may be required before, during, or after mining operations. Whether or not a study is required, the plan of operations must describe how the mining operation will ensure that subsistence use and resources such as shellfish, anadromous and non-anadromous fish, marine mammals, and sea birds are protected.
2. **Habitat Protection and Fishery.** The plan of operations must include provisions to ensure that habitats for shellfish, anadromous fish, marine mammals, and sea birds are protected and that commercial and subsistence fishing activities are not curtailed. It must specifically address the following, where applicable:
 - A. The effects that offshore mining operations proposed to take place in proximity to an anadromous fish stream will have on the movement of juvenile and adult anadromous fish, and how the mining plan protects these fish.
 - B. The effects that offshore mining operations proposed to take place within 100 feet of mean lower low water will have on anadromous fish, and how the mining plan protects these fish.
 - C. The effects that turbidity and redeposition of dredge materials might have on benthic fauna and fish movement, and how the mining plan avoids or minimizes these effects.
 - D. The effects that mining operations proposed to take place during open commercial and subsistence periods will have on actual commercial and subsistence fishing activities, and how these effects will be avoided or minimized.

In addition, the State reserves the right to require an analysis of the cumulative impacts of existing and proposed mining operations on marine habitat within and adjacent to the lease area.

There will be restrictions to mining around the mouths of anadromous streams in the Nome offshore. There may be a default restriction radius for smaller operations, or restrictions for small operations may be determined during the permitting process. Larger restrictions will be set during the permitting process for larger mining equipment.

3. Environmental Monitoring. In order to manage the environmental effects of large-scale mining there will be new requirements for miners to monitor the effects of their operations. The purpose of the monitoring is to determine the magnitude and persistence of alteration to benthic communities. An important part of this effort will be to determine rates of recovery after mining operations, and recolonization rates of mined areas. In particular, if large mining operations are initiated there will be a need to monitor the effects of mining and recovery time for disturbed habitat. The State reserves the right to either implement or require the lessee or a qualified consultant to design and carry out an environmental monitoring program to measure parameters such as benthic disturbance, heavy metals concentrations, turbidity, salinity, sediment redeposition, rates of recolonization, and pre- and post-mining bottom contours. The State and U. S. Army Corps of Engineers may also establish a mitigation and environmental fund to which lessees and operators in deeper water would be required to contribute in order to provide for the environmental monitoring program.

In anticipation of increased mining activity, the following minimum monitoring will be required based on the size of suction dredge or other mining method, and water depth. Additional monitoring may be required on a case-by-case basis to address particularly sensitive environments or to avoid, minimize, or mitigate significant adverse impacts to commercial, recreational, or subsistence fisheries. Any such additional monitoring will be evaluated through individual permit reviews conducted by the Department of Natural Resources, the Department of Environmental Conservation, and appropriate federal agencies. Results of the monitoring program will be used in determining the safeguards deemed necessary to protect the biological community of the lease area.

1. Small operators – 10” dredge nozzle or smaller
 - a. Miners must annually monitor the acreage disturbed and water depths in which mining took place.
 - b. If the dredge has greater than a 6” nozzle, the miner must comply with the Alaska Pollution Discharge Elimination System (APDES) General Permit monitoring and reporting for turbidity (formerly EPA GP AKG-37-5000).
 - c. Under the APDES GP (formerly EPA GP AKG-37-1000) for dredges greater than 6’ but 10” or less, the turbidity mixing zone is limited to 500’ from the point of discharge.
2. Medium operators – suction dredges >10” or other equipment that disturbs less than 20 acres per year
 - a. Individual permits are required from the U. S. Army Corps of Engineers and Alaska Department of Environmental Conservation.
 - b. Photos of the seabed are to be taken before and after mining.

- c. Miners will provide accurate coordinates defining the boundaries of mined areas, and an accounting of the total acreage, water depths, and substrate type (i. e. sand, gravel, cobbles, etc.) disturbed by mining.
 - 3. Large operators – operations of any type that anticipate disturbing over 20 acres/year
 - a. Baseline sampling will be required to document both epifauna and infauna.
 - i. Replicate sites will be required based on substrate types
 - ii. Greatest concern is for water depths in excess of 30’.
 - iii. Details of the baseline program are to be established during the individual permitting process.
 - b. Mining and post-mining monitoring
 - i. Purpose is to determine the magnitude and persistence of alteration to the benthic communities (epifauna and infauna) during and following mining activities.
 - ii. Details are to be determined out during the individual permitting process.
- 4. Public Access and Navigation. No facilities or activities may be located where they would block public access to navigable public waters, as defined in AS 38.05.965(13) and (18). Public access to and within the lease area may not be restricted, except for safety reasons and then only if approved by the Director of the Division of Mining, Land and Water. All activities must be conducted so as not to interfere with shipping lanes, navigational channels, and navigational devices. It is the lessee's responsibility to inform itself as to the location of shipping lanes, navigational channels, and navigational devices.
- 5. Historic, Prehistoric, and Archaeological Resources. If any site, structure, or object of historical or archaeological significance is discovered during operations on the lease area, the lessee shall report the discovery immediately to the director of the Division of Mining Land and Water and shall make every reasonable effort to protect the site, structure, or object against damage until the director, after consultation with the State Historic Preservation Officer, has given directions as to its preservation.
- 6. Air, Land, and Water Quality. The lessee shall comply with all applicable state and federal air and water quality standards during all lease operations.
- 7. Local Hire. The lessee is encouraged to hire Alaska residents, particularly residents from the local area, if they are available and qualified to do the required work.

Map of Lease Tract 3, ADL XXXXXX

