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December 12, 2018

Kyle Moselle Department of Natural Resources Office of Project Management and Permitting 400 Willoughby Street Juneau, AK 99801-01019

Re: FGMI Phase 10 Pit Expansion

Dear Mr. Moselle:

Fairbanks Gold Mining, Inc. (FGMI) is requesting an amendment to the Plan of Operations for the Fort Knox Gold Mine. FGMI proposes to expand the pit with the Phase 10 pit expansion.

This submittal includes the Fort Knox Mine Plan of Operations Amendment Request, Phase 10 Pit Expansion, December 12, 2018 document.

Should you have any questions, please contact me at 970-490-2287 or mark.huffington@kinross.com.

Sincerely,

Mark A. Huffington

Mankstofito

Environmental Superintendent

Cc: Brent Martellaro, ADNR, brent.martellaro@alaska.gov

Tim Pilon, ADEC, tim.pilon@alaska.gov

Bartly Kleven, FGMI, <u>bartly.kleven@kinross.com</u> Craig Natrop, FGMI, <u>craig.natrop@kinross.com</u>



Fort Knox Mine Plan of Operations Amendment Request



Phase 10 Pit Expansion

December 12, 2018

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- Fort Knox Mine with Parcel G Boundary Phase 10 Pit Expansion 1.
- 2.

Abbreviations

amsl above mean sea level

BCHLF Barnes Creek Heap Leach Facility
BCWRD Barnes Creek Waste Rock Dump

cy cubic yard

DEC Alaska Department of Environmental Conservation

DNR Alaska Department of Natural Resources FEMA Federal Emergency Management Agency

ft feet

ft² square feet

FGMI Fairbanks Gold Mining, Inc.

Fort Knox Fort Knox Mine gpm gallons per minute

H horizontal hr hour

lb/cf pounds per cubic feet

LCRS leachate collection and recovery system

M million Mt million tons

PCMS process component monitoring system

PFS prefeasibility study
TSF tailings storage facility

V vertical

WCHLF Walter Creek Heap Leach Facility

WRD waste rock dump

YPWRD Yellow Pup Waste Rock Dump

yr year

1.0 INTRODUCTION

Fairbanks Gold Mining, Inc. (FGMI) is requesting a Plan of Operations amendment approval at its Fort Knox Mine (Fort Knox) for the Phase 10 expansion of the Fort Knox pit. The proposed Phase 10 expansion is located on property known as Parcel G.

1.1 Site Description

Fort Knox is owned and operated by FGMI, a wholly owned subsidiary of Kinross Gold USA, Inc. Fort Knox is located in the Fairbanks North Star Borough, approximately 26-road miles northeast of Fairbanks, Alaska (Figure 1). It is located along a belt of lode and placer deposits that comprise one of the highest gold-producing areas in Alaska. The deposit at Fort Knox is mined by conventional open-pit methods on a year-round basis, seven days per week. Fort Knox processes ore onsite at a carbon in-pulp mill with a daily capacity of up to 45,000 tons. In recent years, Fort Knox has produced approximately 350,000 to 400,000 ounces of gold annually. Major site facilities include the active open pit mine, mill, tailings storage facility (TSF), waste rock dumps, water storage reservoir, and the Walter Creek Valley Heap Leach Facility (Figure 2).

Figure 1: Site Location

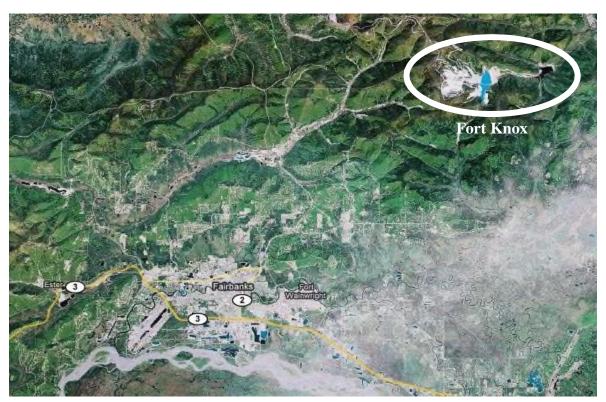


Figure 2: Mine Facilities



2.0 PHASE 10 PIT EXPANSION

FGMI proposes to expand the Fort Knox mine pit to the area known as Phase 10. The proposed Phase 10 expansion is located on property known as Parcel G (Attachments 1 and 2).

The proposed expansion includes approximately 262.7 million tons of rock of which 116.7 million tons is ore for processing and 146 million tons is waste rock. The proposed Phase 10 expansion disturbance is approximately 38.62 acres (Attachment 2).

Table 1 – Phase 10 Pit Expansion Quantities

Facility	Ore Processing (million tons)	Waste Rock (million tons)
Mill		
Walter Creek Heap Leach		
Barnes Creek Heap Leach	116.7	
Barnes Creek Waste Rock Dump		
Yellow Pup Waste Rock Dump		131
In-Pit Waste Rock Dump		15

2.1 Reclamation

Reclamation of the Phase 10 Pit Expansion will be included in the next Fairbanks Gold Mining, Inc., Reclamation Plan and Closure Plan update scheduled for submittal February 28, 2019.

2.2 Wetlands

A wetlands delineation was performed by Michael Baker International in 2015 for Parcel G. A 0.97-acre wetland was identified in the Phase 10 pit expansion area. The wetland has been mitigated and authorized for discharge of fill material in accordance with US Army Corps of Engineers POA-1992-574-M27, Fish Creek permit amendment.

3.0 REFERENCES

Michael Baker International, 2015, *Preliminary Jurisdictional Determination and Functional Assessment Report. Fort Knox Gold Mine Gilmore Exploration Area*, December 23, 2015.

US Army Corps of Engineers, POA-1992-574-M27, Fish Creek, November 1, 2018.



