

FAIRBANKS GOLD MINING INC.
ADDENDUM TO AMENDED AND RESTATED MILLSITE LEASE

Fort Knox Mine Project

(amending the Millsite Lease that was effective January 1, 2002)

ADL Nos. 414960 and 414961

**ADDENDUM TO AMENDED AND RESTATED MILLSITE LEASE
ADL Nos. 414960 and 414961**

THIS ADDENDUM TO THE AMENDED AND RESTATED MILLSITE LEASE, amending the Millsite Lease effective as of January 1, 2002 (ADL Nos. 414960 and 414961), is agreed to and executed this 3rd day of July, 2007 by the following parties:

1. the State of Alaska Department of Natural Resources (“DNR”), acting through the Division of Mining, Land and Water (“DMLW”) pursuant to AS 38.05.255;
2. the Alaska Mental Health Trust Authority (“Trust Authority”), a public corporation within the Alaska Department of Revenue (AS 47.30.011 et seq.), acting by and through the Mental Health Trust Land Office (“TLO”) within the DNR pursuant to AS 37.14.009(a)(2) and AS 38.05.801; and
3. Fairbanks Gold Mining, Inc. (“FGMI”), a Delaware corporation the address of which is #1 Fort Knox Road, P.O. Box 73726, Fairbanks, Alaska 99707-3726, which corporation is a wholly owned subsidiary of Kinam Gold Inc. (formally known as Amax Gold Inc.) (“AGI”), a Delaware corporation all of the outstanding common shares of which are owned by Kinross Gold Corporation (“Kinross”), an Ontario corporation.

RECITALS

- A. In June 2006, FGMI submitted certain updated and new documents to request modification of project authorizations that would approve the development of the Walter Creek Valley Heap Leach Facility, include closure plans for the heap leach facility, and make certain other changes to the Reclamation Plan. Effective June 29, 2006, DNR posted for a 30-day public comment period said documents submitted by FGMI:
 1. Fort Knox Reclamation & Closure Plan (June 19, 2006);
 2. Walter Creek Valley Fill Heap Leach Project Description (June 23, 2006);
 3. Fort Knox Mine Closure Management Plan for the Proposed Heap Leach Facility (June 2006);
 4. Fort Knox Mine Tailing Facility Closure Management Plan (June 2006);and,
 5. Fort Knox Mine Monitoring Plan (June 2006).
- B. DMLW finds that the addition of a heap-leach operation at the Ft. Knox Mine constitutes a “change in use” within the meaning of Section 22(a) of the Amended and Restated Millsite Lease, requiring a modification of said Lease.

Now, therefore, FGMI, DMLW and TLO hereby agree and act as follows:

1. Effect.

Effective as of July 3, 2007, the parties agree that this Addendum amends the following sections of the existing Millsite Lease as follows:

2. Definitions.

- d. “Facility” or “Facilities” means any and all structures, excavations, or improvements constructed or in the process of being constructed in or on the Millsite Area, including but not limited to buildings, roads, utility lines and equipment, pipelines, dams, impoundments, reservoirs, pits, waste dumps, heap leach, and wells.
- g. “Millsite Operations” means those activities that are conducted in or on the Millsite Area pursuant to and in compliance with the Plan of Operations and the Reclamation Plan and that are normally and reasonably associated with a millsite, including but not limited to the following:

i – crushing, milling, processing, beneficiation, concentrating, vat leaching, heap leaching, treating, storing, removing, transporting, and selling or otherwise disposing of

(A) gold bearing ores derived from the lands within ADL 535408 or

(B) other gold-bearing ores, whether derived from inside the Millsite Area or from outside the Millsite Area and whether owned by affiliates of Kinross or by persons or entities unaffiliated with Kinross, if (1) DEC, on a case-by-case basis (whether under section 1.2.2 of Waste Management Permit 2006-DB0043, Fort Knox Mine or otherwise), has approved such processing, and (2) appropriate amendments to the Plan of Operations, the Reclamation Plan, and all other relevant permits and authorizations have been approved by the issuers thereof in due course;

ii – placing, constructing, erecting, installing, maintaining, repairing, using, replacing, and removing excavations, openings, shafts, ditches, drains, settling ponds, tailings ponds, stockpiles, waste dumps, heap leach, roads, haulageways, buildings, structures, machinery, equipment, and other Facilities at locations specified in the Plan of Operations and Reclamation Plan, on or below the surface of the Millsite Area, as may be

reasonably necessary or desirable for the purpose of engaging in the activities described in Section 2.i.i above.

4. Term.

- d. that portion of Waste Management Permit 2006-DB0043, Fort Knox Mine issued by the DEC concerning closure of the tailings impoundment, Walter Creek Valley Fill Heap Leach Facility, and the Fort Knox Mine Pit (if the Department of Environmental Conservation (DEC) authorizes and FGMI places waste waters into the pit as part of the closure of the tailings facility and/or the Walter Creek Valley Fill Heap Leach Facility).

5. Use Charge.

- (a)(iv)(c) – is amended to update the mailing address for payments to the Trust Authority:

Payments to the Trust Authority:

Alaska Mental Health Trust Land Office
718 L Street, Suite 202
Anchorage, Alaska 99501

7. Reclamation Bond.

- a. - Prior to commencement of construction or Millsite Operations resulting in land disturbance and prior to July 3, 2007 of each subsequent year, FGMI shall furnish to the Division a reclamation bond which meets the requirements and standards of AS 27.19, the regulations thereunder and the Reclamation Plan, securing FGMI's performance of the Reclamation Plan excepting only the areas the reclamation of which is specifically covered by a bond required by the Waste Management Permit issued by DEC for the Millsite Area. FGMI, for itself, its assigns and subrogees specifically waives any right to challenge the amount of the bond based on the bond amount exceeding seven hundred and fifty dollars (\$750) per mined acre.
- b. - (remains unchanged)
- c. - (remains unchanged)

11. Inspection and Entry by the Division and the TLO.

- b. - Each year this Lease is in effect, during the first (1st) calendar quarter, FGMI shall meet with the Division and the TLO to provide an update and briefing describing the activities of the year immediately preceding and activities planned for the immediately upcoming year with a copy of the

update and briefing materials to be provided ten (10) days prior to the meeting. The annual meeting will be held in conjunction with the Department of Environmental Conservation. At the discretion of the Division, the TLO or the DEC, this information may be made public in the context and format mutually agreed upon by FGMI, the Division, the DEC, and the TLO. TLO involvement in the annual meeting is required only if the TLO continues to own land within the Upland Mining Lease or Millsite Area.

12. Environmental Audit.

- a. Prior to and in preparation for each scheduled update of the Plan of Operations and any other approved plan of operation, prior to and in preparation for termination of this Lease, and as partial satisfaction of the requirements of section 7 of the Agreement for Funding Post-Reclamation Obligations executed by the parties hereto, an environmental audit shall be conducted at FGMI's expense. The third-party contractor should be mutually agreed upon by the DMLW, DEC, TLO, and FGMI, but in the event that agreement cannot be reached, the agencies retain the final contractor selection decision. TLO concurrence on the third-party contractor is required only if the TLO continues to own land within the Upland Mining Lease or Millsite Area.
 - i. (remains unchanged)
 - ii. (remains unchanged)
 - iii. (remains unchanged)
- b. The scope of the audit to be conducted during the fifth (5th) year of this Lease will be to determine if both the Environmental Management Systems of FGMI and regulatory controls of FGMI provide reasonable assurances that environmental objectives are being met and that the systems and controls are functioning as intended. The scope of subsequent audits should be mutually agreed upon by the DMLW, DEC, TLO, and FGMI, but in the event that agreement cannot be reached, the agencies retain the final audit scope decisions. TLO concurrence on the scope of subsequent audits is required only if the TLO continues to own land within the Upland Mining Lease or Millsite Area. Identification of issues or objectives to be addressed by subsequent audits may be accomplished through a joint FGMI/State public meeting prior to the audit.

26. Notice.

- a. is amended to update the mailing address for notices to the Trust Authority:

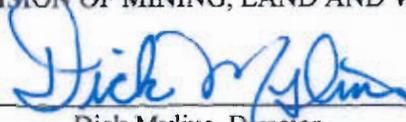
Trust Authority:

Alaska Mental Health Trust Land Office
718 L Street, Suite 202
Anchorage, Alaska 99501
Attention: Executive Director
Facsimile: 907-269-8905
Telephone: 907-269-8658

All other terms and conditions of the Amended and Restated Millsite Lease (ADL Nos. 414960 and 414961) effective as of January 1, 2002 remain unaffected by this Addendum.

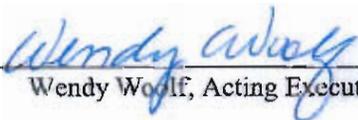
EFFECTIVE as of July 3, 2007.

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

By: 
Dick Mylius, Director

ALASKA MENTAL HEALTH TRUST AUTHORITY

By: State of Alaska
Department of Natural Resources
Mental Health Trust Land Office

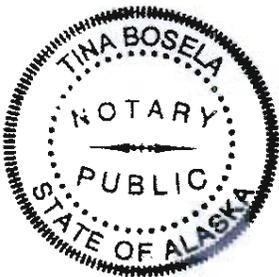
By: 
Wendy Wolff, Acting Executive Director

FAIRBANKS GOLD MINING, INC.

By: LARRY RADFORD  7/3/07
Title: VICE PRESIDENT - GENERAL MANAGER

STATE OF ALASKA)
3rd) ss.
Judicial District)

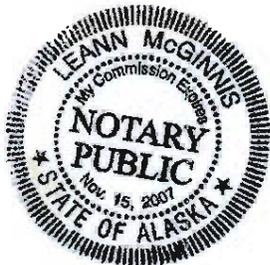
THIS CERTIFIES THAT on the 2 day of July, 2007 at Anchorage, Alaska, the foregoing document was acknowledged before me by (name) Dick Mylius, Director of the STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES, DIVISION OF MINING, LAND AND WATER, on behalf of said division within said department acting pursuant to AS 38.05255 and other applicable authority.



Tina Bosele
Notary Public for the State of Alaska
My commission expires Ending with Service

STATE OF ALASKA)
3rd) ss.
Judicial District)

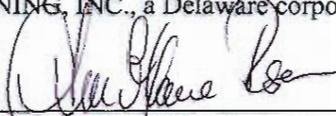
THIS CERTIFIES THAT on the 3rd day of July, 2007 at Anchorage, Alaska, the foregoing document was acknowledged before me by (name) Walter C. Woolf, Acting Executive Director of the MENTAL HEALTH TRUST LAND OFFICE within the STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES, on behalf of said office acting pursuant to AS 37.14.009(a)(2) and AS 38.05.801 and other applicable authority on its own behalf and for the ALASKA MENTAL HEALTH TRUST AUTHORITY.



Leann McGinnis
Notary Public for the State of Alaska
My commission expires 11-15-2007

STATE OF ALASKA)
4th) ss.
Judicial District)

THIS CERTIFIES THAT on the 3 day of July, 2007 at Fairbanks, Alaska, the foregoing document was acknowledged before me by (name) Larry Redford, (title) VP + General Manager, on behalf of FAIRBANKS GOLD MINING, INC., a Delaware corporation, on behalf of the corporation.



Notary Public for the State of Alaska
My commission expires 10.28.2009

