

KINROSS

Fort Knox

Fairbanks Gold Mining, Inc.

**Fort Knox Mine
Plan of Operations
&
Waste Management Permit
Renewals**



Facility Description

January 2020

Revision 1

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Abbreviations

AAC	Alaska Administrative Code
ACOE	US Army Corps of Engineers
amsl	above mean sea level
ADEC	Alaska Department of Environmental Conservation
ADF&G	Alaska Department of Fish & Game
ADNR	Alaska Department of Natural Resources
APDES	Alaska Pollutant Discharge Elimination System
BCHLF	Barnes Creek Heap Leach Facility
BCHLP	Barnes Creek Heap Leach Pad
BCWRD	Barnes Creek Waste Rock Dump
CIC	carbon-in-columns
Code	International Cyanide Management Code for the Manufacture, Transport, and Use of Cyanide in the Production of Gold
FCWRD	Fish Creek Waste Rock Dump
ft	feet
fmsl	feet above mean sea level
FGMI	Fairbanks Gold Mining, Inc.
Fort Knox	Fort Knox Mine
HLP	heap leach pad
NAG	non-acid generation
Plan	Fort Knox Mine Reclamation & Closure Plan
POO	Plan of Operations
RO	reverse osmosis
SAG	semi-autogenous grinding
TSF	tailings storage facility
WCHLF	Walter Creek Heap Leach Facility
WCHLP	Walter Creek Heap Leach Pad
WMP	Waste Management Plan
WRD	waste rock dump
YPWRD	Yellow Pup Waste Rock Dump

1.0 INTRODUCTION

Fairbanks Gold Mining, Inc. (FGMI) is requesting the renewal of the Plan of Operations (POO) and the Waste Management Permit (WMP) for the Fort Knox Mine (Fort Knox). The current POO F20149852POO expires March 27, 2020 in accordance with Alaska Department of Natural Resources, Division of Mining, Land and Water, Mining Section (ADNR) March 18, 2019 Fort Knox Mine POO and Fort Knox Mine Reclamation Plan extension letter to FGMI.

The current WMP DB20140002 Modification 2 renewal application expired March 27, 2019, and the renewal application was submitted on February 22, 2019. Until such time the renewed WMP is issued, the current WMP remains effective as specified by 15 AAC 15.110(a).

It was agreed upon by the Alaska Department of Natural Resources Division of Mining, Land, and Water (ADNR), Alaska Department of Environmental Conservation (ADEC), and FGMI that updated documents in support of the permit renewals will be provided to the two agencies by September 1, 2019. The following documents include:

- Fort Knox Mine Reclamation and Closure Plan including costs
- Fort Knox Mine Pit Lake Evaluation
- Fort Knox Mine Solid Waste Management Plan
- Fort Knox Mine Monitoring Plan
- Plan of Operations
 - a. Facility Description
 - b. Walter Creek Heap Leach Pad Operations & Maintenance Manual
 - c. Tailings Storage Facility Operations & Maintenance Manual

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 250,000 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, Walter Creek Valley Heap Leach Facility, Barnes Creek Heap Leach Facility (under construction), and water treatment plants (Figure 2).

The Fort Knox Mine and facilities encompass approximately 8,711 acres, of which there are no federal lands. The project area includes the Amended and Restated Millsite Lease (ADL 414960, 414961).

FGMI maintains the mine access roads from the Steese Highway to Fort Knox. The road surface is graded to insure a smooth running surface and proper drainage. During the winter months, the Fort Knox road is kept free of snow and is sanded as necessary to maintain safe operating conditions.

FGMI Security continues to patrol the mine site and access roads to ensure the safety of our employees, contractors, guests, and the public. Access is limited based on need and function.

The milling and mining operations at Fort Knox operates 24 hours a day, 365 days a year.

During the initial Millsite Lease application process a series of public meetings were held to identify trail systems that would potentially be affected by mining activities. In 2011, Fort Knox initiated meetings with ADNR Trails and Easement Section to start the process of rerouting trails for future use. Meetings with ADNR continued in 2013. A formal application was submitted to the Trails and Easement Section with an alternate route in 2013. As part of this process, a public notice and comment period occurred in 2014. In 2015, ADNR executed the entry authorization for the approved Administrative Reroute of RST 644 Cleary Summit to Gilmore Dome Trail. In 2018, FGMI submitted an Application to Relocate Portions of RST644 and RST1931 trails to ADNR, Land. ADNR approved the application and construction was completed (Figure 3).

Fort Knox is a signatory company of the International Cyanide Management Code for the Manufacture, Transport, and Use of Cyanide in the Production of Gold (Code). The Code's development occurred in the early 2000s and implemented in 2005 for safe and responsible management of cyanide by an international multi-stakeholder committee under the auspices of the United Nations Environment Program and is administered by the International Cyanide Management Institute. As a signatory company, Fort Knox is required to meet the Code's Principles and Standards of Practice criteria, which is verified by strict independent third-party auditing. Fort Knox achieved Code certification in February 2008, received recertification in September 2011, February 2015, and most recently August 2018. Fort Knox certification summary audit reports may be found at <http://www.cyanidecode.org>.

Figure 1: Site Location



Figure 2: Mine Facilities

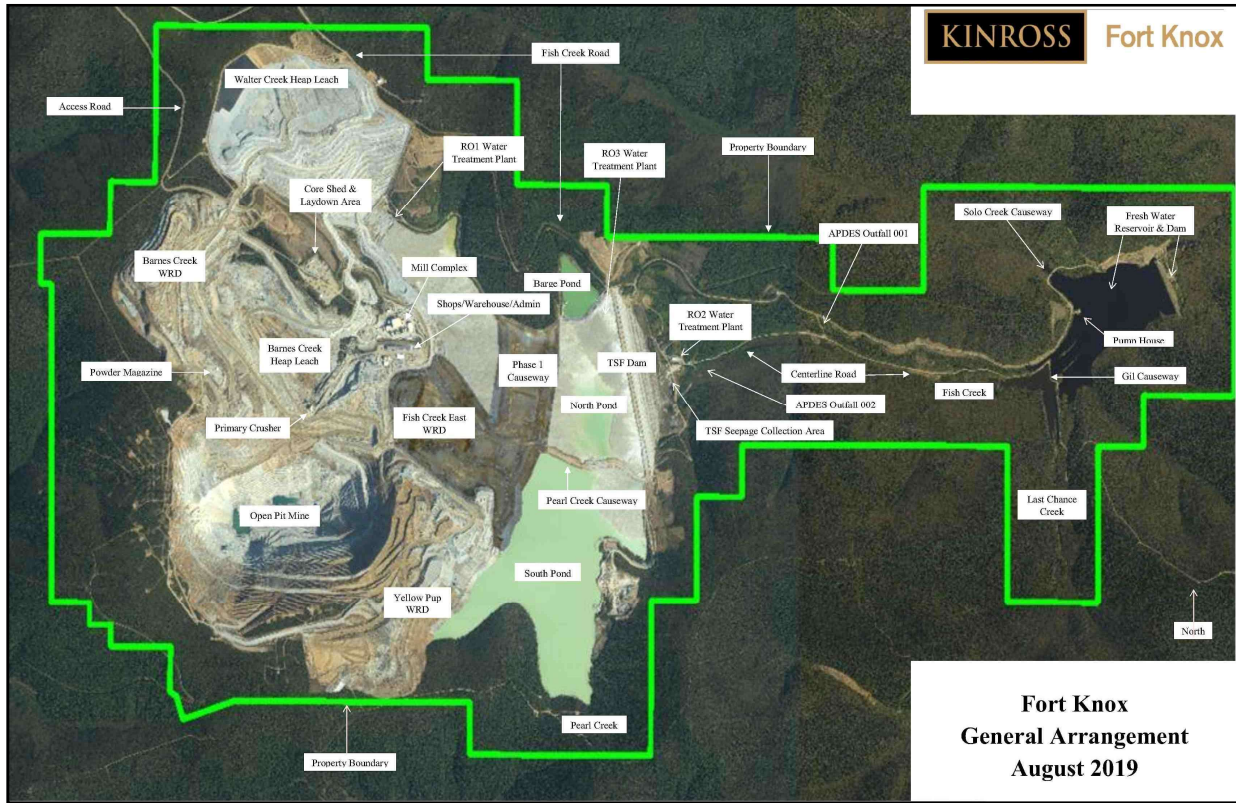


Figure 3: RSTs 644 & 1931 Partial Relocations



1.1.1 Open Pit Mine

Mining operations continue 24-hours a day, 365-days per year at Fort Knox. Ore and waste are mined using standard drilling and blasting techniques with shovel and haul truck fleets to move the material. Blast holes are sampled and assayed for production grade control purposes and material is hauled to the rock dumps, primary crusher, heap leach, or low-grade stockpiles depending on grade.

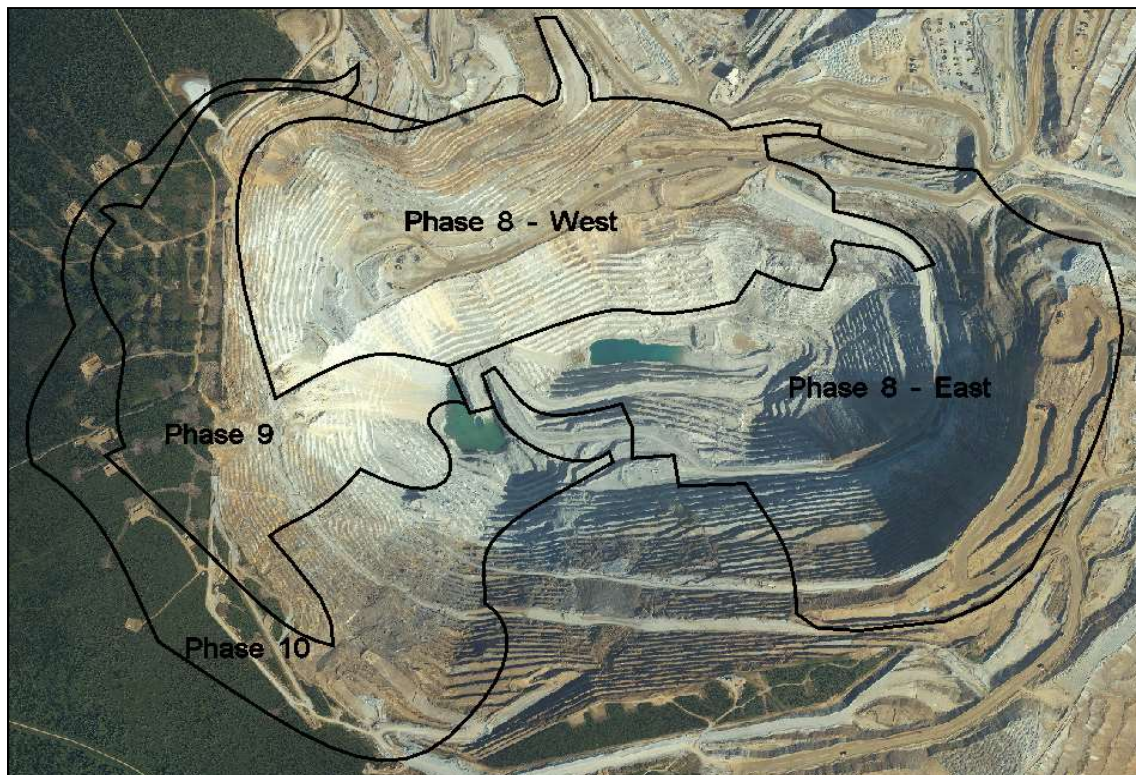
In 2015, mining within the Fort Knox open pit occurred in Phase 7 and Phase 8. Phase 7 stripping commenced in the 4th quarter of 2008. Stripping for phase 7 continued into 2012 before sustained ore was achieved. Phase 7 is now incorporated into Phases 8, 9, and 10 mining areas (Figure 4).

Mining activities continued in 2017 for the final pit layback area known as Phase 8. This phase of the pit delivered ore to the mill and the leach pad beginning in 2015 and will continue until Phase 8 mining activities end in 2021.

Mining in Phase 9 is anticipated to commence in the second half of 2019. Ore from this phase is expected to be delivered to the mill and heap leach pad from the first bench and will continue until the phase is mined out in 2024.

Phase 10 mining is anticipated to commence in late 2021 and will continue until mining activities end in 2027.

Figure 4: Fort Knox Pit Phases



1.1.2 Mill

Mill feed is first crushed to minus 6 inches in the primary gyratory crusher located near the Fort Knox pit and then conveyed to a coarse-ore stockpile located near the mill. The crushed material is conveyed to a semi-autogenous (SAG) mill. The SAG mill operates in open circuit and feeds two ball mills. The ball mills operate in closed circuit through cyclone packs. The cyclone packs regulate the size of material that is allowed to move beyond the grinding circuit. A gravity gold recovery circuit operates in conjunction with the grinding circuit. It consists of three Knelson concentrators.

Correctly sized material flows into a high rate thickener and then into leach tanks where cyanide is used to dissolve the gold. Activated carbon is used in the carbon-in-pulp circuit to absorb the gold from the cyanide solution. Carbon particles loaded with gold are removed from the slurry by carbon screens and are transferred to the gold recovery circuit. In this circuit, the gold is stripped from the carbon using a strong alkaline cyanide solution in conjunction with high temperature and high pressure. The gold is recovered from this solution by electro-winning, where it is plated onto a cathode. The gold is removed from the cathode mechanically and melted into doré bars for shipment to an offsite refinery for final processing.

Some hard ore of a critical size is rejected from the SAG mill in order to increase throughput. This material is crushed and stockpiled for use on the Walter Creek Heap Leach Facility and Barnes Creek Heap Leach Facility. Mill tailings are discharged into the TSF below the mill.

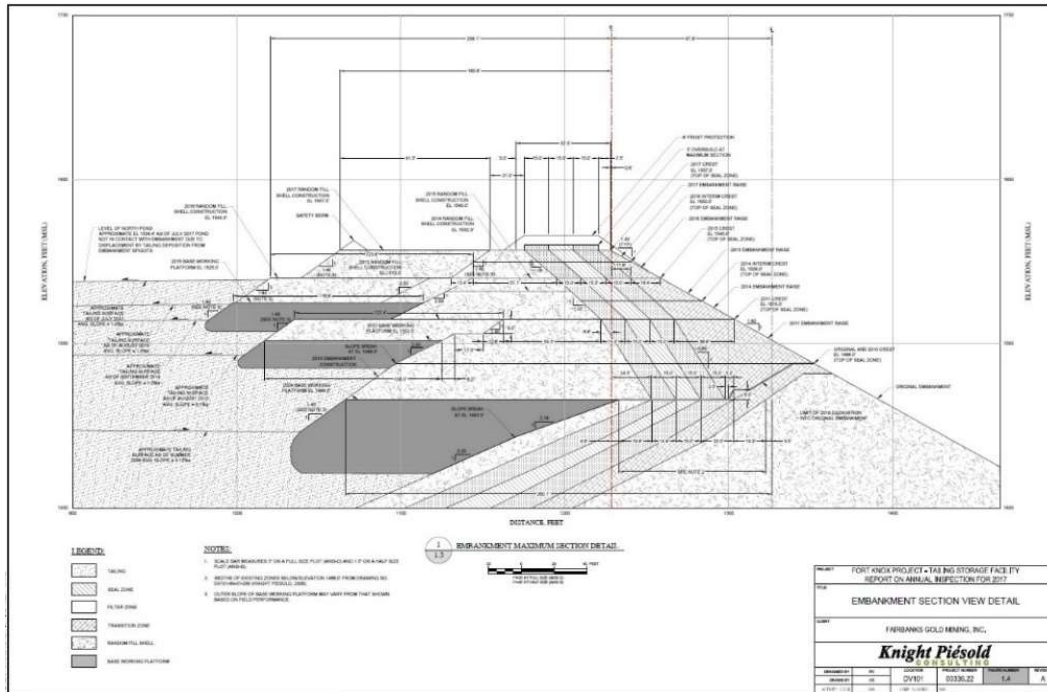
1.1.3 Tailings Storage Facility

The TSF consists of deposited tailings, decant pond, dam, seepage interception system, and the seepage monitoring system. The tailings depositional area is within the Fish Creek drainage and includes portions of the Walter Creek, Pearl Creek, and Yellow Pup drainages.

The TSF has three distinct ponds: the barge pond, north pond, and south pond where the decant water pools. These ponds are located within the tailings deposition area upstream of the TSF dam. The barge pond is approximately 18 acres. The north pond fluctuates in size but covers an area that generally ranges from 300 to 400 acres. The south pond will fluctuate slightly, but should remain close to 245 acres. A bathymetric survey conducted in June 2019 showed the barge pond, north pond, and south pond contain approximately 14,881 acre-feet of water. The increase in the pond's volume is attributed to the area's abnormal rainfall throughout 2014 - 2018. Water management activities continue to be evaluated and implemented [i.e., storm water control, dewatering well groundwater and reverse osmosis treated water discharges (APDES Permit No. AK0053643)] to reduce the additional volume created by the abnormal precipitation events.

The TSF dam is approximately 4,600 feet long and has a crest height of 377 feet. Construction of the dam is a modified centerline design (Figure 5). It impounds all of the tailings generated by the mill (Figure 5). The TSF and the mill form a closed system for process water. Water used in the mill is pumped from the decant pond, and this process water is returned to the decant pond in the tailings slurry after the slurry has been processed to comply with cyanide threshold levels in accordance with the mine's Waste Management Permit.

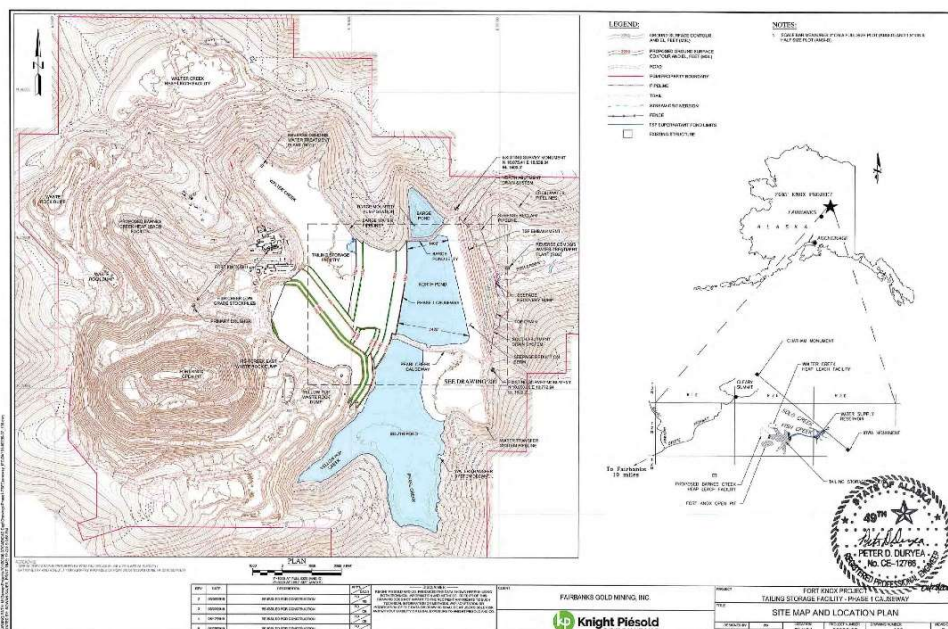
Figure 5: TSF Modified Centerline Design



Construction of the TSF berm located upstream of the TSF dam was approved and completed in 2018. Placement of tailings between the dam and berm will be completed the summer of 2019. The berm was constructed to provide additional long-term dam stability.

Construction of the Phase I Causeway was approved to elevation 1,582 fmsl. Construction began in 2018 and was completed in August 2019 with the intent adding tailings to an elevation of 1,557 fmsl beginning in 2nd half 2019 (Figure 6).

Figure 6: TSF & Phase 1 Causeway



1.1.4 Waste Rock Dumps

Waste rock from development of the pit is placed in one of the following waste rock dumps (WRD): Yellow Pup WRD, Fish Creek WRD, Fish Creek WRD Expansion or the Barnes Creek WRD. Construction of all WRDs are similar consisting of end dumping in shallow benches in a bottom up. The benches are developed to allow for regrading at closure and provide a consistently sloped surface from top to bottom of the dump face.

Yellow Pup WRD

The Yellow Pup WRD is located between the pit and TSF facility, near the southern boundary of the Mill Lease Site permit boundary. Construction of the Yellow Pup WRD began shortly after commencement of mining with expansion continuing into mid-year 2024. The dump will reach an ultimate elevation of 2,350 fmsl containing non-acid generating (NAG) waste rock. The reclamation footprint is approximately 480 acres. A portion of the dump will be placed on deposited tailings along the western boundary of the TSF.

Barnes Creek WRD

The Barnes Creek WRD is located on the north side of the pit between the western boundary of the Mill Lease Site permit boundary and the Barnes Creek HLP. Construction began in 2011 with expansion continuing through mid-year 2024. The dump will reach an ultimate elevation of 2,600 amsl containing NAG waste rock. The reclamation footprint is approximately 357 acres.

Fish Creek WRD

The Fish Creek WRD was constructed as part of the initial development of the pit. Stockpiling of waste began during initial stripping of the pit. The material placed in the Fish Creek WRD consisted of waste rock and, at the time, uneconomical low-grade ore. The low-grade ore has since been relocated to the Walter Creek HLP for recovery through leaching. A small portion of the original dump remains and will be expanded as part of the part of the Fish Creek WRD Expansion. The dump will reach an ultimate elevation of approximately 1,700 amsl containing NAG waste rock. The reclamation footprint is approximately 150 acres. Expansion of the dump will encroach on the limit of the TSF along the western boundary of the facility (Figure 6).

In-Pit WRD

Between 2022 and 2027, approximately 18 million tons of waste rock will be placed within the lower elevations of the east pit bottom. The crest elevation of the waste rock will be below the final pit lake surface.

1.1.5 Water Storage Reservoir

The downstream water reservoir including the dam, causeway, and spillway complex, encompasses approximately 173 acres and is located on Fish Creek approximately three miles below the tailings impoundment. Overall the structures associated with the water reservoir are in good working order.

The fresh water reservoir dam is a zoned fill embankment that contains a relatively impervious seal zone constructed of highly weathered schist. Sand filter zones are located upstream and downstream of the seal zone followed by upstream and downstream transition zones constructed of weathered schist. Upstream and downstream random rockfill zones complete the embankment cross section. The upstream face has a riprap layer of wave erosion protection. The embankment includes a grout curtain installed in the bedrock below the seal zone cut off trench and a gravel

drain incorporated into the downstream toe of the embankment. The toe drain is directed to a sump to collect seepage passing through the embankment for recycling back to the reservoir if required.

There is a concrete open channel spillway with a low flow channel adjacent to the dam. The low flow channel provides protection by reducing the build-up of ice in the spillway chute during winter months.

A low-level outlet system consisting of a primary valve on the upstream end of a 30-inch outlet pipe located in a valve house situated on the dam crest adjacent to the spillway. The valve is manually operated and is provided for drainage of the reservoir for maintenance and repairs and can provide additional drainage in emergency situations.

Solo Creek Causeway is an embankment crossing Solo Creek to accommodate access road to the dam. A single galvanized corrugated steel pipe was installed to carry flow from Solo Creek to the reservoir.

The Fresh Water Pump House houses the infrastructure that pumps make-up water from the reservoir to the Barge Pond and mill. There are two lines one for each destination. The make-up water is used for the beneficiation process of the gold ore. The two lines run parallel to the Fish Creek Road on the surface. Vegetation that grows around the pipeline is removed for inspection as needed.

1.1.6 Walter Creek Heap Leach Facility

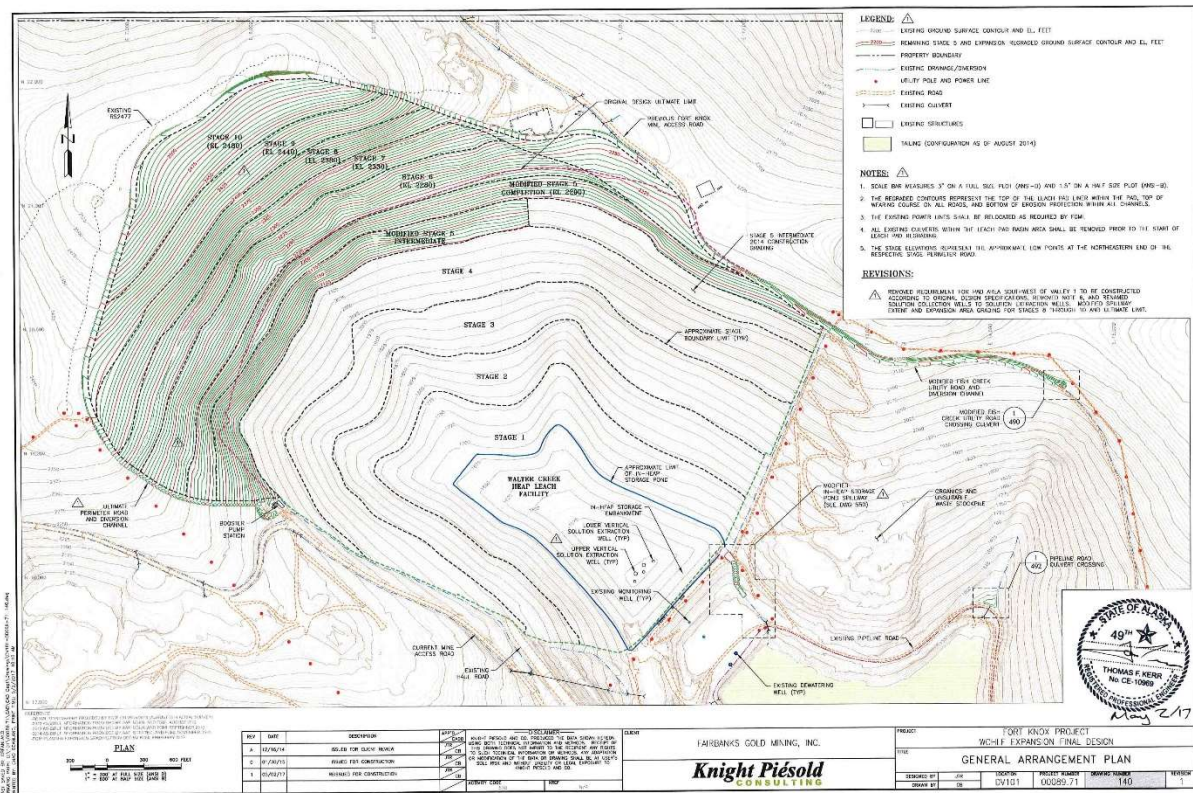
The Walter Creek Heap Leach Pad is in the upper end of the Walter Creek drainage upstream from the tailings impoundment. Excluding the haul road and access roads, the Walter Creek Heap Leach Pad (WCHLP) will ultimately cover approximately 435 acres and will have a capacity of approximately 307 million tons. WCHLP was constructed in ten stages as a valley-fill type of facility. Ore for the Walter Creek HLP consists of run-of-mine rock from the Fort Knox Pit and various stockpiles.

Barren solution is applied on the heap leach using drip emitters. The solution flows through the run-of-mine ore dissolving gold in solution. The pregnant solution then flows to the in-heap storage reservoir, with a maximum capacity of 113,800,000 gallons. The pregnant solution collected in the in-heap storage reservoir is pumped to the two Carbon-In-Columns (CIC) plants using pumps located in the in-heap storage reservoir. Barren solution and pregnant solution will be pumped in separate pipes between the heap leach pad and CIC 1 and CIC 2 plants through a lined corridor. Loaded carbon is processed in the Fort Knox mill facilities.

The Walter Creek Valley Heap Leach Facility (WCHLF) was brought into production in 2009. On October 13, 2009, ADNR issued a Certificate of Approval to operate the heap leach dam. On October 14, 2009, FGMI began filling the in-heap storage pond. In November 2009, FGMI had the first gold pour from heap leach production.

In 2011, construction of Stage 3 of the heap leach pad began and its construction completed in 2013. The Stage 4 construction of the heap leach pad began in 2012 and was completed in 2014. The Stage 5 construction began in 2012 with clearing and grubbing, and construction was completed in 2015. The Booster Pump Station was constructed in 2015. Stage 6 clearing and grubbing occurred in 2015 and construction continued and was completed in 2017. Stage 7 construction began and was completed in 2017. Construction of Stages 8, 9, and 10 were completed in 2018 (Figure 7).

Figure 7: Walter Creek Heap Leach Facility



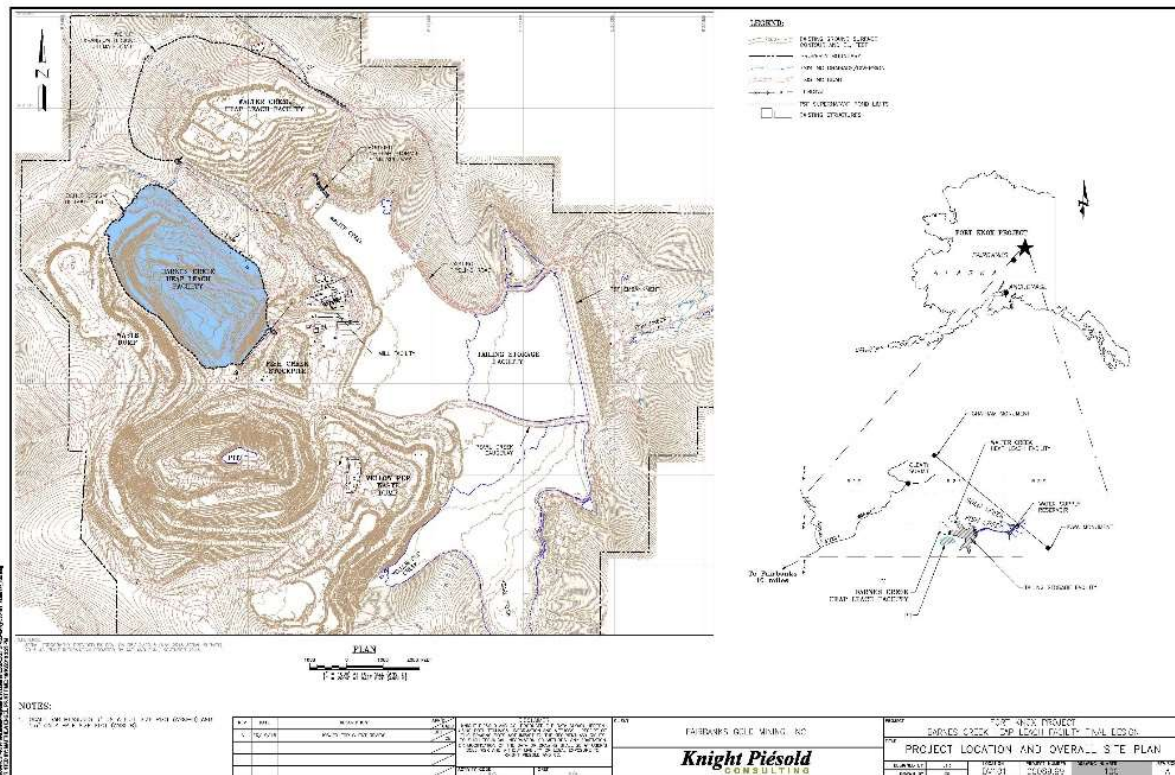
1.1.7 Barnes Creek Heap Leach Facility

The Barnes Creek Heap Leach Pad (BCHLP) is located south of the Walter Creek Heap Leach Pad, upstream and west of the tailings impoundment. The Barnes Creek Heap Leach Facility (BCHLF) received approval for construction in 2017 (Figure 8). The heap leach pad will be constructed in six phases. Phase One construction started in 2018, and consisted of foundation preparation for the secondary liner deployed in 2019. Loading of the pad is anticipated in 2020. The final phase will reach elevation 2,340 ft amsl equating to a height of 810 ft from toe to crest.

Low-grade ore from the Phase 9 and Phase 10 pit expansion will be hauled to and leached on the BCHLP. The Phase 9 and 10 pit expansion will produce 155 million tons of low-grade ore for leaching at the BCHLP. Phase 9 ore will bring the heap leach elevation to 1,840 fmsl.

The Phase 10 pit expansion will produce an additional 117 million tons of ore leached on the Barnes Creek heap leach pad to a total height of 2,340 fmsl. The total footprint will encompass approximately 297 acres.

Figure 8: Barnes Creek Heap Leach Facility

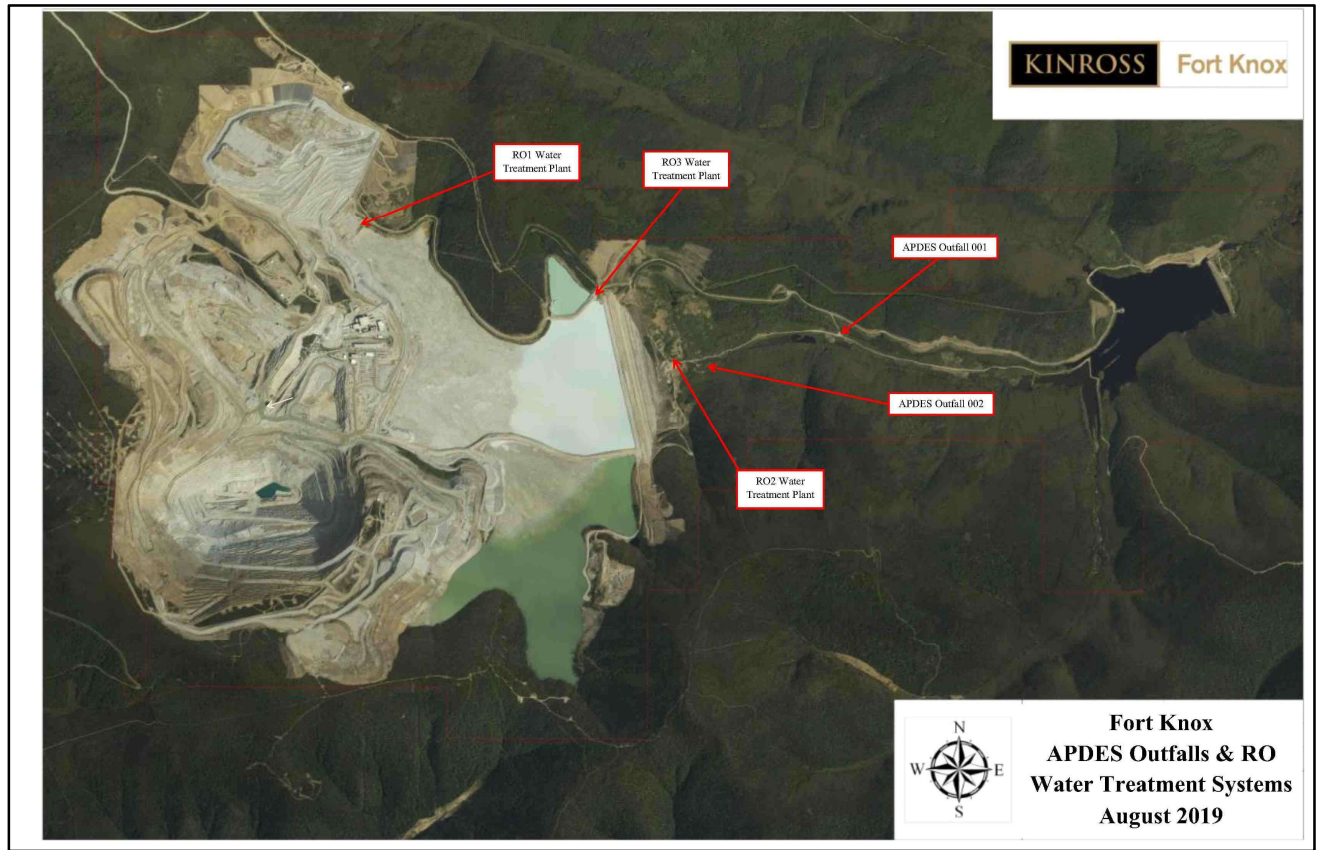


1.1.8 Water Treatment Plants

Since the Tailings Storage Facility (TSF) design did not have capacity to contain all water until the end of mine life, an Alaska Pollutant Discharge Elimination System (APDES) permit application was submitted to the Alaska Department of Environmental Conservation (ADEC), Division of Water in early 2012. ADEC granted FGMI an APDES permit in August 2012 and effective October 2012 to discharge non-process and non-contact groundwater extracted from pit dewatering wells into the Old Fish Creek Channel (Outfall 001) from which it flows to the freshwater reservoir. Since receiving the APDES permit and until March 3, 2015, there was no discharge of dewatering well water. Discharge of dewatering well groundwater that did not require treatment began on March 4, 2015. The APDES permit was reissued by the ADEC on April 30, 2018, became effective June 1, 2018, and expires on May 31, 2023. The reissued permit authorizes discharge to two outfalls (Outfall 001 and Outfall 002) at an annual rate of 3.164 billion gallons. With the reissuance of the APDES permit, treatment systems may treat and discharge waters from mine drainage and facility processes, waste streams, and operations.

FGMI operates three reverse osmosis treatment systems and is authorized by the APDES permit to discharge to Outfall 001 and Outfall 002. Location of the treatment systems and outfall are identified in Figure 9.

Figure 9: APDES Outfalls & RO Water Treatment Systems



Reverse Osmosis Water Treatment System One

The reverse osmosis water treatment system (RO1) for the dewatering well groundwater that required treatment before discharge to Outfall 001 became operational on June 24, 2016 and began discharging to Outfall 001.

Reverse Osmosis Water Treatment System Two

The second reverse osmosis water treatment system (RO2) for the TSF seepage and intercept water was approved for construction by ADEC in 2017. RO2 was constructed and underwent commissioning activities and became operational on January 15, 2019 and began discharging to Outfall 002.

Reverse Osmosis Water Treatment System Three

A temporary reverse osmosis treatment system (RO3) for the TSF water was approved for construction by ADEC in 2019. RO3 was constructed and underwent commissioning activities in 2019 and became operational June 22, 2019 and began sending treated water (permeate) to the RO2 treatment system.

2.0 SUPPORTING DOCUMENTS

FGMI operates under the following major operating permits and plans.

2.1 Plan of Operations

Plan of Operations No. F201449852POOA was issued March 28, 2014 and expired March 27, 2019. FGMI submitted a renewal application letter to ADNR on February 22, 2019, and a letter to extend the Plan of Operations to March 27, 2020 was issued to FGMI by ADNR on March 18, 2019. The Fort Knox Mine Plan of Operations have included amendments and approvals by ADNR from March 1994 to August 2019.

2.2 Reclamation and Closure Plan

The Fort Knox Mine Reclamation and Closure Plan (Plan) No. F20149852RCP was approved by ADNR on March 28, 2014. Since 2014, there has been two amendments (May 2017 and January 2018). The Plan includes the estimated costs associated with reclamation and closure of the Fort Knox Mine. The Plan describes the procedures and processes to return land disturbed by mining and ore processing operations to a stabilized condition that will provide long-term protection of land and water resources. Additional goals include: reducing the effects of disturbance during mining, implementation of concurrent reclamation where appropriate, reducing or eliminating long-term management requirements, management of the dams for the protection of life and property, and meeting state and federal regulatory requirements. The Plan describes the schedule for reclamation, general reclamation procedures, and the methods for achieving the final closure requirements and objectives. In addition, the Plan serves as a basis for calculating reclamation costs and the amount of the financial assurance. The August 2019 Plan update is submitted under separate cover.

2.3 Waste Management Permit

Waste Management Permit No. 2014DB0002 Modification #2 was issued by ADEC on June 13, 2018 as an amendment to Waste Management Permit No. 2014DB0002 which became effective on March 28, 2014 and expired March 27, 2019. FGMI submitted a renewal application letter to ADEC on February 22, 2019 in accordance with condition 37 of the permit. Until renewal of the WMP is issued, the current WMP remains effective as specified by 15 AAC 15.110(a). The following documents are associated with the permit.

- Fort Knox Mine Solid Waste Management Plan, Update April 2016. The August 2019 update is provided with this POO and WMP renewal document.
- Fort Knox Mine Monitoring Plan, Update November 2017. The August 2019 update is provided with this POO and WMP renewal document.
- Fort Knox Mine Pit Lake Evaluation. The May 7, 2019 Pit Lake Evaluation was previously submitted to ADEC and ADNR on May 16, 2019.
- The third-party facility audit was conducted in 2018 in accordance with condition 2.8 of the WMP and the Environmental Audit condition of the POO. The revised final report (*Environmental compliance and Management Systems Audit, Fort Knox gold Mine, Revised February 2019*) was provided to Mr. Kyle Moselle (ADNR Office of Project Management & Permitting) on February 12, 2019.

2.4 Title 1 Air Quality Control Minor Permit

Air Quality Control Minor Permit No. AQ0053MSSO4 was issued by ADEC Division of Air Quality on December 17, 2012 and does not have an expiration date. The minor permit authorizes owner requested limits to reduce allowable emissions of all regulated pollutants to below 100 tons

per year to avoid the need for an operating permit. The permit contains requirements for Fort Knox stationary sources.

2.5 Title V Air Quality Operating Permit

Air Quality Operating Permit No. AQ0053TVP03 was issued by ADEC Division of Air Quality on May 31, 2017 and expires May 31, 2022. The operating permit authorizes operation of the induction furnace, carbon regeneration kiln, five electrowinning cells, and two activated carbon emission control beds. The permit contains requirements for these Fort Knox stationary sources.

2.6 Water Use

FGMI has received water use appropriations from ADNR Water Resources Program for operating the Fort Knox Mine. These appropriations include:

- LAS 13986 – Water Right Certificate of Appropriation for 5,350 acre-feet per year: Fish Creek for Freshwater Reservoir impoundment for Mining and Milling and 456.57 acre-feet per year: Fish Creek for Mining and Milling, December 11, 1992 priority date
- LAS 13987 – Water Right Certificate of Appropriation for 724 acre-feet per year: Interceptor Wells for Mining and Milling, December 11, 1992 priority date
- LAS 13988 – Certificate of Appropriation for 5,245 acre-feet per year: Fish Creek for Mining, Milling, Heap Leach, December 11, 1992 priority date
- LAS 21760 – Water Right Certificate of Appropriation for 1,600 acre-feet per year: Dewatering Well Field, February 3, 1998 priority date
- LAS 28158 – Permit to Appropriate Water for 4,043 acre-feet per year: Dewatering wells for Mining and Milling, July 20, 2010 priority date
- LAS 28160 – Permit to Appropriate Water for 3,000 acre-feet per year: Drilled wells for Mining and Milling, July 20, 2010 priority date
- LAS 28161 – Permit to Appropriate Water for 13,255 acre-feet per year: TSF & Heap Leach for Mining, Milling, and Heap Leach, July 20, 2010 priority date

2.7 Dams

FGMI has received approvals from ADNR Dam Safety Program to construct, modify, and operate the following Fort Knox Mine dams.

- AK00211 – Fort Knox Water Dam
- AK00212 – Fort Knox Tailings Dam
- AK00310 – Walter Creek Heap Leach Pad Dam
- AK00315 – Barnes Creek Heap Leach Pad Dam

2.8 Fish Habitat

FGMI has received fish habitat permits from the Alaska Department of Fish and Game (ADF&G) for the Fort Knox Mine operations. Fish habitat permits have been issued for the Solo Creek culvert, Fish Creek Wetlands, and Gil Causeway culvert.

2.9 Wetlands

FGMI has received US Army Corps of Engineers (ACOE) permits authorizing the discharge of fill material into waters (including wetlands) of the United States in conjunction with hard rock

mining activities in the Fish Creek drainage. The permits include the original Permit No. POA-1992-574 (4-920574) and its modifications since 1994.

3.0 FINANCIAL ASSURANCE

As required by ADNR, ADEC and ACOE, the financial assurance amount was revised and updated to reflect current 2018 plans for Fort Knox. The annual adjustment of financial assurance amount approved by the agencies are \$97,496,878.00 for Fort Knox. The financial assurance letter of credit (Irrevocable Standby Letter of Credit No. S18572/260177, Amendment No. 10) was issued by the Bank of Nova Scotia on January 21, 2019 and provided to ADNR.

A revised financial assurance amount and adjustment to the financial assurance letter of credit will be provided to ADNR once the updated Fort Knox Reclamation and Closure Plan and costs are approved at the proposed amount of \$100,620,000.00.