



THE STATE
of **ALASKA**

DIVISION *of* MINING,
LAND *and* WATER

MISCELLANEOUS LAND USE PERMIT
For Winter Cross Country Travel
PERMIT # 2299 Amendment #1

The Alaska Department of Natural Resources, Division of Mining, Land, & Water, in accordance with and subject to the requirements and general stipulations of Alaska Statute 38.05 (Alaska Land Act); and Alaska Administrative Code Title 11, Chapter 96 (Miscellaneous Land Use), does hereby grant a Miscellaneous Land Use Permit to:

GRAPHITE ONE (ALASKA)
777 HORNBY ST. SUITE 600
VANCOUVER BC CANADA, V6Z1S4

KOUGAROK LLC
P.O. BOX 1712
NOME AK 99762

Annual Winter Cross Country times are from October 31 through April 15. This permit is valid through 12/31/2026 unless sooner revoked at will or for cause; or trail conditions prevent compliance with the stipulations contained in #2 Operation of Vehicles. Winter Cross Country is permitted as described on the attached map.

A trip completion report shall be submitted within 30 days after travel that complies with the Special Stipulations (2) Operation of vehicles subpart m below. Failure to submit this report may result in bonding requirements for future cross-country travel permits.

A usage fee of \$240 is billable each year Cross Country Travel is required. Payment may be submitted by check or money order, payable to the "Department of Natural Resources", or call to pay by phone.

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

This decision takes effect immediately.

Approved: _____

Dave Charron
Dave Charron
Authorized Officer

Date: _____

3/21/23

Special Stipulations:

1. Point of Contact: The Permittee shall supply the name and telephone number of a person familiar with the daily location of the permit activities and easily contacted by the Northern Regional Office of the Division of Mining, Land & Water.
2. Operation of Vehicles:
 - a. Vehicles shall be operated without disturbing the vegetative mat and underlying substrate:
 - b. Pertaining to travel on State land outside of your mining claims and in accordance with 11 AAC 96.040 (b). Existing roads and trails shall be used whenever possible. Road and trail widths shall be kept to the minimum necessary. Trail surface may be cleared of timber, stumps, and snags. Due care shall be used to avoid excessive scarring or removal of ground vegetative cover. Additional trail upgrade, including removal or placement of material on the trail, shall be authorized through a right-of-way permit issued by the Division of Mining, Land & Water (Land Section).
 - c. Blading or removal of the vegetative mat is prohibited. If the vegetative mat is torn or otherwise damaged, the Permittee shall immediately cease the activity which is causing damage and, if necessary, discontinue travel.
 - d. 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. All exposed vegetation and/or soil shall be immediately covered with clean snow to avoid unseasonal melting and erosion.
 - e. Clearing of vegetation, particularly along water bodies, shall be kept to the minimum necessary.
 - f. Filling low spots and smoothing with snow and ice is allowed.
 - g. It is recommended that the applicant monitor the ice thickness of all rivers, sloughs, or streams, to ensure that there is adequate support for equipment and skids.
 - h. Ice or snow bridges and approach ramps constructed at river, slough or stream crossings shall not contain extraneous material (i.e. soil, rock, brush, or vegetation) and shall be removed or breached immediately after use or prior to spring breakup. Snow ramps or other mitigating measures will be used to prevent ice or snow bridges from being an unsafe obstacle to snowmachiners or others using the river for travel.
 - i. If equipment or fuel skids do break through the ice; to the extent that the operator cannot remove the equipment or skid from the water; the applicant shall notify Division of Mining, Land & Water and the Alaska Department of Environmental Conservation within 24 hours.
 - j. There shall be no river, stream or slough bank modifications.
 - k. Logs, timbers, other wood, or metal bridging material may be used in the construction of ice bridges or to span open water, provided the bridge is capable of supporting the vehicle loads and the "non-ice" bridge materials are removed from the crossing at the end of the equipment move and before break-up.
 - l. During equipment maintenance operations, the site shall be protected from leaking or dripping hazardous substances or fuel. The permittee shall place drip pans or other surface liners designed to catch and hold fluids under the equipment or develop a maintenance area by using an impermeable liner or other suitable containment mechanism. All collected hazardous substance or fuel shall be disposed of in an ADEC approved manner.
 - m. During the course of travel, the Permittee shall grade or drag the trail to keep it properly maintained to allow the use of snowmachines, dog teams or others using the trail for travel
 - n. Access diversions around obstructions, such as gulleys and open water, shall be conducted in a manner which causes the least amount of impact to the vegetation and soil. Road and trail diversions shall be subject to conditions listed under (a) above. Such diversion routes shall be illustrated on maps submitted with the travel completion report.
 - o. The construction or improvement of roads or trails across state land is not authorized by this Miscellaneous Land Use Permit. Such construction will require a Right-Of-Way Permit from the Division of Mining, Land & Water. Contact the Division of Land, in Fairbanks at (907) 451-2740 to determine if a Right-Of-Way Permit is required.
 - p. All survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and unsurveyed lease corner posts shall be protected against damage, destruction, or obliteration. The permittee shall notify the Division of any damaged, destroyed, or obliterated markers and shall reestablish the markers at the permittee's expense in accordance with accepted survey practices of the Division of Land.
 - q. The Division reserves the right to modify these stipulations or use additional stipulations as deemed necessary.
 - r. A completion report shall be submitted within 30 days after completion of travel. Failure to submit this report may result in bonding requirements for future cross country travel permits. The report shall contain the following:

1. Actual routes as depicted on a USGS topographic map; if different than original route.
 2. A statement of restoration activities and methods of debris disposal.
 3. A report covering all discharges of fuel or hazardous substances.
 4. A report covering any known incidents of damage to the vegetative mat and underlying substrate and follow-up corrective actions that may have taken place while operating under this authorization.
 5. Photographs of the permitted site, taken after the proposed activity, to document any areas where the vegetative mat was disturbed. These shall be submitted with an Annual Reclamation Statement documenting the results of any revegetation and erosion control that may have been necessary.
3. Road Construction: The construction or improvement of roads or trails across state land is not authorized by this Miscellaneous Land Use Permit. Such construction will require a Right-of-Way Permit from the Division Mining, Land & Water. Contact the Division of Land, in Fairbanks at (907) 451-2740 to determine if a Right-of-Way Permit is required.
 4. Destruction of Markers: All survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and unsurveyed lease corner posts shall be protected against damage, destruction, or obliteration. The permittee shall notify the Authorized Officer of any damaged, destroyed, or obliterated markers and shall reestablish the markers at the permittee's expense in accordance with accepted survey practices of the Division of Land.
 5. Indemnification: Permittee assumes all responsibility, risk and liability for all activities of Permittee, its employees, agents, invitees, contractors, subcontractors, or licensees directly or indirectly conducted in connection with this permit, including environmental and hazardous substance risks and liabilities, whether accruing during or after the term of this permit. Permittee shall defend, indemnify, and hold harmless the State of Alaska, its employees, and agents from and against any and all suits, claims, actions, losses, costs, penalties, and damages of whatever kind or nature, including all attorney's fees and litigation costs, arising out of, in connection with, or incident to any act or omission by Permittee, its employees, agents, invitees, contractors subcontractors, or licensees, unless the sole proximate cause of the injury or damage is the negligence or willful misconduct of the State or anyone acting on the State's behalf. Within 15 days Permittee shall accept any such cause or action or proceeding upon tender by the State. This indemnification shall survive the termination of the permit.
 6. Authorized Officer:
 - a. The Authorized Officer for the Department of Natural Resources is Dave Charron, Permitting Manager, Division of Mining, Land & Water. The Authorized Officer may be contacted at 3700 Airport Way, Fairbanks, AK 99709; telephone: (907) 451-2736; FAX: (907) 451-2703; or e-mail: Dave.Charron@alaska.gov.
 - b. The Authorized Officer reserves the right to modify these stipulations or use additional stipulations as deemed necessary.
 7. Valid Existing Rights: This authorization is subject to all valid existing rights in and to the land under this authorization. The State of Alaska makes no representations or warranties whatsoever, either expressed or implied, as to the existence, number, or nature of such valid existing rights.
 8. Reservation of Rights: The Division reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land under this authorization.
 9. Alaska Historic Preservation Act: The permittee shall consult the Alaska Heritage Resources Survey (907) 269-8718 so that known historic, archaeological and paleontological sites may be avoided. The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any state-owned historic, prehistoric (paleontological) or archaeological site without a permit from the commissioner. Should any sites be discovered during the course of field operations, activities that may damage the site will cease and the Office of History and Archaeology in the Division of Parks and Outdoor Recreation (907) 269-8718 and shall be notified immediately.
 10. Solid Waste: All solid waste and debris generated from the activities conducted under this authorization shall be disposed of in an ADEC approved manner prior to the expiration, completion, or termination of the authorization or activities.

11. Fuel and Hazardous Substances: Secondary containment shall be provided for fuel or hazardous substances in accordance with EPA Emergency Spill Response Regulations.
- Container marking. All independent fuel and hazardous substance containers shall be marked with the contents and the permittee's name using paint or a permanent label.
 - Fuel or hazardous substance transfers. Secondary containment or a surface liner must be placed under all container or vehicle fuel tank inlet and outlet points, hose connections, and hose ends during fuel or hazardous substance transfers. Appropriate spill response equipment must be on hand during any transfer or handling of fuel or hazardous substances to respond to a spill of up to five gallons. Transfer operations shall be attended by trained personnel at all times.
 - Storing containers within 100 feet of water bodies. Containers with a total capacity larger than 55 gallons which contain fuel or hazardous substances shall not be stored within 100 feet of a water body.
 - Exceptions: The Authorized Officer may under unique or special circumstances grant exceptions to this stipulation on a case-by-case basis. Requests for exceptions should be made to the Authorized Officer.
 - Definitions:
"Containers" means any item which is used to hold fuel or hazardous substances. This includes tanks, drums, double-walled tanks, portable testing facilities, fuel tanks on small equipment such as light plants and generators, flow test holding tanks, slop oil tanks, bladders, and bags. Manifolded tanks or any tanks in a series must be considered as single independent containers. Vehicles, including mobile seismic tanks, are not intended to be included under this definition.

"Hazardous substances" are defined under AS 46.03.826(5) as: (a) an element or compound which, when it enters the atmosphere, water, or land, presents an imminent and substantial danger to the public health or welfare, including fish, animals, or vegetation; (b) oil; or (c) a substance defined as a hazardous substance under 42 U.S.C. 9601(14).

"Secondary containment" means an impermeable diked area or portable impermeable containment structure capable of containing 110 percent of the volume of the largest independent container. Double-walled tanks do not qualify as secondary containment unless an exception is granted for a particular tank.

"Surface liner" means any safe, non-permeable container (e.g., drip pans, fold-a-tanks, etc.) designed to catch and hold fluids for the purpose of preventing spills. Surface liners should be of adequate size and volume based on worst-case spill risk.

12. Notification: The permittee shall immediately notify the Division of Mining, Land & Water and the Department of Environmental Conservation, by telephone, of any unauthorized discharges of oil to water (including tundra); any discharge of hazardous substances other than oil; and any discharge of oil greater than 55 gallons solely to land and outside an impermeable revetment. If a discharge is greater than 10 gallons but less than 55 gallons it must be reported within 48 hours by telephone or fax. If a discharge is less than 10 gallons it may be reported in writing on a monthly basis. If an unauthorized discharge greater than 55 gallons is made to a secondary containment, it must be reported within 48 hours by phone or fax.

The DNR 24 hour spill report number is (907) 451-2678; the Fax number is (907) 451-2751. The DEC spill report number, for the Northern Region, is (907) 451-2121; for the Southcentral Region is (907) 269-7548; the DEC 24-hour report number is (800) 478-9300. Division of Mining, Land & Water and ADEC shall be supplied with all follow-up incident reports.

15. Inspection:
- Authorized representatives of the State of Alaska shall have reasonable access to the subject parcel for purposes of inspection.
 - Upon inspection, the authorized field representative may deem that the permitted trail may only be accessible during winter months when the ground is frozen and has adequate snow cover to protect the land from undue rutting and erosion.

16. Violations: This authorization is revocable immediately upon violation of any of its terms, conditions, stipulations, nonpayment of fees, or upon failure to comply with any other applicable laws, statutes and regulations (federal and state). Should any unlawful discharge, leakage, spillage, emission, or pollution of any type occur due to permittee's, or its employees', agents', contractors', subcontractors', licensees', or invitees' act or omission, permittee, at its expense shall be obligated to clean the area to the reasonable satisfaction of the State of Alaska. A permittee who is charged & convicted of any violation of the state

hunting, trapping and fishing laws and regulations may be subject to revocation of this permit.

17. Default: If permittee should fail to comply with the terms and stipulations contained in this permit, the provisions of the Miscellaneous Land Use Regulations (11 AAC 96) and (AS 27.19), Reclamation Act, and after receiving written notice, fails to remedy such default within the time specified in the notice, the Director may cancel this permit.
18. Change of Address: Any change of address must be submitted in writing to the Division at 3700 Airport Way, Fairbanks, AK 99709-4699.

Appeal: An eligible person affected by this decision may appeal to the DNR Commissioner per AS 44.37.011 and 11 AAC 02. Any appeal must be received within twenty (20) calendar days after issuance of this decision under 11 AAC 02.040. An eligible person must first appeal a decision to the Commissioner before seeking relief in superior court. The Alaska Court System establishes its own rules for timely appealing final administrative orders and decisions of the department. Appeals may be mailed or hand-delivered to the DNR Commissioner's Office, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska, 99501; or faxed to (907)-269-8918; or sent by electronic mail to dnr.appeals@alaska.gov. Appeals must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (a)-(b). A copy of 11 AAC 02 is available on the department's website at <https://dnr.alaska.gov/mlw/pdf/DNR-11-AAC-02.pdf>.

19. Commencement of permitted activities deems an acceptance of these special stipulations.



GRAPHITE ONE (ALASKA)
777 HORNBY ST. SUITE 600
VANCOUVER BC Canada, V6Z1S4

Kougarok LLC
P.O. Box 1712
Nome, AK 99762

RE: Multi-Year 2022-2026- Hardrock Exploration & Reclamation #2299
Hardrock Exploration- Graphite Creek- Nome & Port Clarence Mining District

The Alaska Department of Natural Resources Mining Land & Water (DMLW) has received and processed your required yearly reclamation paperwork in the form of a 2022 Reclamation Statement and 2023 Letter of Intent as required by AS 27.19.050. Your statements indicated that you still qualify under the exemption for small operators in AS 27.19.050.

The exemption for small operations only applies when the above documentation is submitted annually, and your operation remains less than five acres and less than 50,000 cubic yards are disturbed or removed in any year and there is a cumulative disturbed area of less than five acres for the entire operation.

These items will be distributed annually, to those agencies on the APMA distribution listing. Be advised that issuance of any permit by the Mining Section within the Division of Mining, Land, and Water does not relieve you of the responsibility of securing other permits required by federal, state, or local governmental agencies.

Additionally, you are required to file an annual work plan as stipulated in the hard rock exploration permit.

Each calendar year of the permit, the applicant shall file a work plan detailing the number, type and location of proposed activities under this authorization to be conducted for that exploration year, including any repairs and details of the repair plans. The Annual Work Plan is due **by March 31**. If no work is proposed, a timely statement shall still be filed.

You are also required to file an Annual Exploration Report **by December 31st** of each year; please ensure that your report contains the following information:

- A written narrative describing your activities and the reclamation measures utilized 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"=1/2 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, with appropriate caption, of each reclaimed drill site and exploration trench.
- A photo of representative sections of any new road or trail construction.
- A detailed description of the methods used to plug the drill holes.
- A list of Mining Claims by ADL# that contain unreclaimed disturbance at the end of the year and a total acreage that remains unreclaimed.

Best wishes for a safe and successful mining season. If this office can be of further assistance, please contact us at (907)-451-2736.

G1 Winter Haul Route

03/18/21, 9:39 AM

Elevation



Hide on map

Total Length **19.8** m

Elevation gain **1,501** ft

Elevation loss **1,698** ft

Denotes possible stream crossing (up to 6 anticipated where shown)



Add to Folder



Edit



Delete

Cobblestone River

Graphite Creek Camp

Oro Grande River

Windy Pass, 1206'

MP 30 Kougarak

Sinuk River

MP 28 Kougarak staging area

2023 Winter Trail
Assess trail and terrain conditions for 2023 winter trail season. USFS, National Forest to Olympic Coast, and Mt. Rainier National Park.

Graphite Creek
Camp

Mosquito Pass, elev. 1206

~MP30 Kougarak Road



Graphite One Proposed Winter Trail Stream Crossing Locations 2023

Stream	Latitude	Longitude	PLS	Types of Activity		
				Crossing	Dredging	Water Intake
Nome River	N 64.87480°	W 165.26372°	Sec 24 T 7S R 32W Kateel River	"	None Expected	"
Buffalo Creek	N 64.86933°	W 165.28702°	Sec 23 T 7S R 32W Kateel River	"	"	"
Hudson Creek	N 64.87124°	W 165.31751°	Sec 22 T 7S R 32W Kateel River	"	"	"
Sinuk River	N 64.87795°	W 165.40175°	Sec 17 T 7S R 33W Kateel River	"	"	"
Windy Creek	N 64.88367°	W 165.44833°	Sec 18 T 7S R 33W Kateel River	"	"	"
"Osborn Creek"	N 64.99672°	W 165.50388°	Sec 02 T 6S R 34W Kateel River	"	"	"
Cobblestone River	N 65.03363°	W 165.47928°	Sec 24 T 5S R 34W Kateel River	"	"	"

Location of planned winter trail stream crossings prepared by RECON, LLC based on planned trail routing. Location of stream crossings are approximate and will be adjusted in the field to accommodate conditions encountered when the trail route is being pioneered.