APPENDIX B

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

MINERAL LEASEHOLD LOCATION ORDER NO. 28

1.0 ORDER RESTRICTING TO LEASEHOLD LOCATION

After the effective date of this order (see paragraph 5), and unless otherwise closed to mineral entry, rights to locatable minerals in the land covered by this order may be acquired only under the leasehold location system, AS 38.05.205, and may not be acquired by locating a mining claim under AS 38.05.195.

2.0 LAND SUBJECT TO THE TERMS OF THIS ORDER IS DESCRIBED AS FOLLOWS:

<table>
<thead>
<tr>
<th>Legal Description</th>
<th>Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>See attached map</td>
<td>approximately 3,840</td>
</tr>
<tr>
<td>and Attachment 1</td>
<td></td>
</tr>
</tbody>
</table>

3.0 AUTHORITY FOR THE ORDER

This order is issued under the authority granted by AS 38.05.185.

4.0 FINDINGS AND DETERMINATIONS

The following findings and determinations are made:

The land described in paragraph 2.0 is found and determined to be subject to potential use conflicts which require that mining be allowed only under written leases issued under AS 38.05.205. These potential use conflicts include, but are not limited to, the following:

These lands encompass 8 mineral licks which are heavily used by caribou, Dall’s sheep, and moose. Although the specific biological function of mineral licks for wildlife is not known for each site, their intensive and regular use suggests an important role. Areas adjacent to the
mineral licks support resting areas and heavily used converging trails. Mineral licks can also be an indicator of mineral value.

Because of the potential mineralized nature of these areas, mining may be an important use of these lands. Leasehold location is an appropriate measure to allow mineral development to occur with minimal impacts to the licks.

Mineral licks near Merry Christmas, Joseph, and Pittsburgh creeks are used annually by a high proportion of the Fortymile caribou herd during May. Access to these licks is of particular importance to pregnant cows. They are used by a high proportion of the Fortymile caribou herd during May. Leasehold location areas larger than the actual mineral licks have been established for these licks because of the intensity of annual use that they receive from large numbers of caribou, and because of the well defined traditional access routes used by caribou to access the licks.

The Utah Creek mineral lick is used primarily by a small, disjunct Dall’s sheep population on Glacier Mountain. On a daily basis, up to 30% of that sheep population will use the lick during mid-May through June. Because such a high percentage of the sheep in this isolated population use this lick during this time, a leasehold location area larger than the actual lick has been established to protect the well defined traditional access routes. Furthermore, it appears that geographical barriers are minimizing colonization of other suitable habitat by this sheep population, causing the population to be more vulnerable to human activity.

The mineral licks within the areas identified for Walker Fork and Logging Cabin Creek are important to moose. These leasehold location areas are smaller in size because the mineral licks are less defined and their use is not as intense as the other licks.

The following stipulations are to be applied in the approval of Plans of Operations for all areas of leasehold location under this order within the planning area:

1. Mining activity must avoid direct impacts to the mineral licks and the routes that animals use to access them, or mitigate adverse impacts to these resources. If a game trail or mineral lick is affected, mitigation alternatives may include a variety of measures to address lick accessibility.

2. In addition to protection of the routes themselves, activities that may divert animals from the routes or otherwise affect usage patterns shall be avoided or mitigated.

The following stipulation is to be applied in the approval of Plans of Operations for the areas of leasehold location for the Merry Christmas, Joseph, and Pittsburgh Creek mineral licks under this order:

1. Development will minimize or avoid disturbance to the animals during May.
The following stipulation is to be applied in the approval of Plans of Operations for the areas of leasehold location for the Utah Creek mineral lick under this order:

1. Development will minimize or avoid disturbance to the animals during May and June.

**5.0 EFFECTIVE DATE**

This order is effective as of:

[ ] ____________ (thirty days after the first public notice of this action.)

[x] The following (later) date: March 14, 2003

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**Director**
Division of Mining, Land and Water Management

Dated: 2/3/03

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Approved and ratified by:

**Commissioner**
Department of Natural Resources

Dated: 2/3/02
ATTACHMENT 1
LEGAL DESCRIPTION OF LANDS SUBJECT TO LEASEHOLD LOCATION
FOR MINERAL LEASEHOLD LOCATION ORDER NO. 28

Joseph Creek

T5S  R22E, F.M.
    Section 24  E1/2, E1/2W1/2, SW1/4W1/4
    Section 25  NE1/4, E1/2NW1/4, NW1/4NW1/4

T5S  R23E, F.M.
    Section 19

Pittsburgh Creek

T5S  R24E, F.M.
    Section 12  SE1/4, E1/2SW1/4, SE1/4NW1/4, S1/2NE1/4
    Section 13  N1/2NE1/4, NE1/4NW1/4

T5S  R25E, F.M.
    Section 7  W1/2SW1/4, SW1/4NW1/4
    Section 18  NW1/4NW1/4

Merry Christmas Creek

T3S  R26E, F.M.
    Section 16  S1/2SW1/4
    Section 17  S1/2SE1/4
    Section 20  NE1/4, N1/2SE1/4
    Section 21  NW1/4, N1/2SW1/4

Utah Creek

T2S  R30E, F.M.
    Section 14  W1/2, W1/2E1/2
    Section 15  E1/2E1/2

Walker Fork

T26N  R19E, C.M.
    Section 12  SW1/4, W1/2SE1/4

Logging Cabin Creek

T23N  R17E, C.M.
    Section 20  SW1/4
    Section 29  N1/2NW1/4
Logging Cabin Cr. Mineral Lick
Moose
Tanacross C-3/D-3 Quads
T23N R17E CRM