



ALASKA DEPARTMENT OF NATURAL RESOURCES

Division of Mining, Land, and Water

Water Resources Section

3700 Airport Way, Fairbanks, Alaska 99709

PERMIT TO APPROPRIATE WATER

LAS 28161

The State of Alaska, acting by and through the Department of Natural Resources, Division of Mining, Land and Water, 3700 Airport Way, Fairbanks, Alaska, 99709-4699, hereinafter referred to as the grantor, under AS 46.15, the Alaska Water Use Act, and the regulations adopted under it, grants to:

Fairbanks Gold Mining, Inc.
A Subsidiary of Kinross Gold Corporation
PO Box 73726
Fairbanks, Alaska 99707-3726

The right to develop the following use of water:

SOURCE: Tailings Storage and Heap Leach Facility
QUANTITY: 13,255 Acre-Feet per Year
PERIOD: January 1st through December 31st
USE: Mining, Milling and Heap Leach Operations.

With a PRIORITY DATE of July 20, 2010.

The location of this water source:

A tailings storage facility and heap leach impoundment located within Sections 9, 10, 14 through 16, 22, and 23, Township 2 North, Range 2 East, Fairbanks Meridian.

The location to which this appropriation is appurtenant:

Tract C-2 of Alaska State Cadastral Survey 93-8 according to Plat No. 94-72 filed in the Fairbanks Recording District, Fourth Judicial District, State of Alaska, subject to reservations and exceptions of record. Said tract is located within Sections 9, 15 and 16, Township 2 North, Range 2 East, Fairbanks Meridian.

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Changes in the natural state of water are to be made in the manner and only for the purposes stated in this permit. This permit is subject to the pertinent statutory provisions in AS 46.15, Administrative Regulations in 11 AAC 93, and the following conditions:

The holder of this Permit shall comply with the following conditions:

1. Follow acceptable engineering standards in exercising the right granted by this permit.
2. Comply with all applicable laws, regulations, and conditions.
3. Permit holder is responsible for obtaining, maintaining, and complying with all other authorizations (federal, state or local) that may be required, including but not limited to complying with the regulations and requirements of the Alaska Dam Safety Program.
4. Except for claims or losses arising from negligence of the State, defend and indemnify the State, the State's agents, and the State's employees against and hold each of them harmless from any and all claims, demands, legal actions, loss, liability, and expense, including attorney fees, for injury to or death of persons and damages to or loss of property arising out of or connected with the exercise of the right granted by this permit.
5. Notify the grantor of any change of address, transfer of any real property identified in this permit, or proposed change in the water appropriation.
6. If the grantor determines that this appropriation unduly affects a prior appropriator's ability to obtain water in accordance with his or her permit or certificate, this appropriation may be amended or water use may be curtailed until the prior appropriator can again obtain water under his or her prior right. Those individuals within the same area that do not have water rights may also be required to curtail taking water.
7. Allow grantor's authorized representatives to inspect, at reasonable times, any facilities, equipment, practices, or operations regulated or required under this permit.
8. Submit monthly water use records on an annual basis to the Water Resources Section. All water use records shall be reported on the Alaska Water Use Data System (AKWUDS) online at <http://dnr.alaska.gov/akwuds/> and/or via email to dnr.water.reports@alaska.gov.
9. Submit monthly water use records to the Water Resources Section on an annual basis.
10. Per 11 AAC 05.010. (a)(8)(M), an annual administrative service fee shall be assessed on this authorization.

This permit shall EXPIRE on: **December 27, 2027**.

This Permit to Appropriate Water is issued by authority of AS 46.15.080 and 11 AAC 93.120 on:

December 28, 2017

Date

Mitch W. [Signature]

Approved

Natural Resource Manager II

Title