



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

MINING RECLAMATION BOND (PERSONAL BOND)

The Miner, Alaska Gold Company, a corporation existing under the laws of the State of Delaware, whose address is 1031 W. 4th Avenue, Ste. 600, Anchorage, Alaska, 99501 as Obligor, is firmly bound unto the State of Alaska Department of Natural Resources ("the State") in the sum of Six Million, Eight Hundred and forty-four thousand, seven hundred U.S. Dollars (\$6,844,700.00), lawful money of the United States, for the payment of which the Obligor hereby binds itself, its successors, and assigns.

Contemporaneously with the execution and delivery of this Personal Bond, the Obligor delivers to the State as collateral to secure the obligation described herein a Letter of Credit numbered NZS 578405 pursuant to 11 AAC § 97.410.
(LOC, CD, Cash or Gold in Escrow)

Whereas, the Obligor has submitted a reclamation plan for mining operations under an approved plan of operations at the Rock Creek & Big Hurrah mine project, which approved reclamation plan (hereinafter "the reclamation plan") is, by reference, incorporated fully herein in all its terms and made a part of this bond; and

Whereas, the Obligor is required to post a performance bond with the commissioner of natural resources, hereinafter "the commissioner," in accordance with AS § 27.19.040 to ensure complete compliance with AS § 27.19, 11 AAC Chapter 97, and the reclamation plan;

Whereas, the Obligor has chosen to post this Personal Bond with the commissioner, in lieu of participating in the statewide bonding pool, posting a bond or financial guarantee with another government agency or posting a general performance bond as authorized by 11 AAC 97.400(1),(3)&(4), to ensure the Obligor's complete compliance with the requirements of the reclamation plan, AS 27.19, and attendant regulations at 11 AAC Chapter 97; and

Whereas, in accordance with 11 AAC 97.430, Obligor is liable for the full costs of reclamation to the standards of AS 27.19, the requirements of 11 AAC Chapter 97, and the approved reclamation plan regardless of the amount of the reclamation bond; and

Whereas, the Obligor agrees that unless the Obligor has replaced this bond with another personal bond or with another form of financial assurance authorized under 11 AAC 97.400 providing security for compliance with all terms of the reclamation plan, coverage under this bond shall extend to and include the approved reclamation plan and any amendments to the plan approved by the commissioner.

Now, therefore, the terms of this Personal Bond are as follows:

Upon a determination by the commissioner that the Obligor has satisfactorily complied with the reclamation plan in accordance with the standards of AS § 27.19.020 and of 11 AAC 97.200-250, the obligations of this personal bond and accompanying instrument shall terminate and the commissioner shall release this bond and the accompanying instrument.

This personal bond and accompanying instrument shall remain in full force and effect until their release is approved in writing by the commissioner (1) in accordance with 11 AAC 97.410(b); (2) upon delivery of substitute financial assurance acceptable to the department; or (3) due to reduction of the amount of the obligation upon completion of concurrent reclamation as approved by the department.

The department may approve replacement of this personal bond or the collateral securing it in accordance with 11 AAC 97.400. In the event of replacement, the substitute bond must assume all remaining reclamation obligations and liabilities.

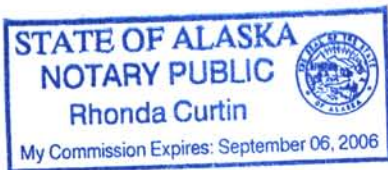
If the commissioner determines that the Obligor has violated or permitted a violation of the approved reclamation plan and failed to comply with a lawful order of the commissioner, the Obligor forfeits this personal bond or the relevant portion thereof in accordance with AS § 27.19.040(c) and AS § 27.19.070(a). Upon the Obligor's receipt of a notice of the Obligor's default from the commissioner, the Obligor shall promptly pay the face value of this personal bond to the commissioner or forfeit the collateral provided by referenced, accompanying instrument pledged to the State to secure this personal bond.

OBLIGOR

Date 8/16/06

Obligor ALASKA GOLD COMPANY

(Affix seal)



By: *[Signature]*
Vice-President and
Director - Doug Nicholson

By: _____


ACKNOWLEDGMENT OF OBLIGOR

The foregoing instrument was acknowledged before me by Doug Nicholson, this 16th day of August, 2006.
Witness my hand and official seal. *[Signature]*

(Notary Public or other authorized officer)

My Commission Expires: September 06, 2006

APPROVAL AND ACCEPTANCE BY STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES

By  Date 18 Aug 06
Director, Division of Mining, Land and Water

INSTRUCTIONS

- This form shall be used whenever the commissioner has approved the use of a personal bond in connection with a Division of Mining, Land and Water plan of operations and reclamation plan with the posting of an instrument or property such as cash or gold to secure the personal bond.
- Property pledged to secure the personal bond must be owned by the Obligor and must not be subject to any liens or prior security agreements. The property/instrument posted may be in the form of cash or gold in escrow; a Certificate of Deposit made payable to the State of Alaska Department of Natural Resources; an Irrevocable Letter of Credit issued by a bank authorized to do business in the United States with the Department specified as beneficiary. The value of pledged instruments must equal or exceed the amount of the bond. A combination of instruments may be posted so long as the aggregate value equals or exceeds the amount of the bond.
- Instruments such as Certificates of Deposit or Cash in Escrow must be accompanied by a State form entitled: Assignment of Negotiable Instrument.
- A Letter of Credit must be in a form acceptable to the State.
- When this bond is executed by a partnership, all partners must sign the bond individually in the space provided or by securely attaching an addendum with the recital that they are partners comprising the firm by name. All members of the partnership shall execute the bond.
- When this bond is executed by a corporation, the bond must be executed by a duly authorized corporate officer who must submit evidence of his/her authority to act for the corporation. This certified authorization must be attached to the bond.
- When any of the parties executes this bond through an authorized agent, a Power of Attorney or other evidence of authority must accompany the bond.

This form is to be used in accordance with the regulations of the Department of Natural Resources regarding bonds and bonding requirements.

UNANIMOUS WRITTEN CONSENT
OF DIRECTORS OF
ALASKA GOLD COMPANY

The undersigned, being all the directors of Alaska Gold Company, a Delaware Corporation (the "Corporation"), in accordance with Section 141(f) of the Delaware General Corporation Law, and in lieu of holding a meeting of the directors to consider the same, hereby adopt and approve the following resolutions:

WHEREAS, the efficient and timely closing of transactions for the purchase or sale of real property in Alaska is in the best interest of the Corporation;

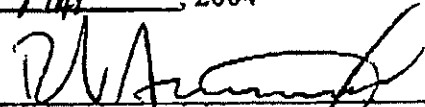
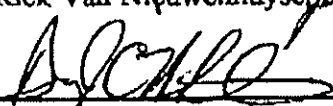
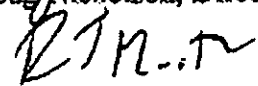
AND WHEREAS, the Board of Directors (the "Board") has determined that the most expeditious manner to cause the efficient closing of said transactions in Alaska is to authorize Doug Nicholson, Vice-President and Director of the Corporation, to sign any and all documents, including but not limited too, purchase and sale agreements and closing documents, on behalf of the Corporation for real property transactions in Alaska;

NOW, THEREFORE, BE IT RESOLVED, that Doug Nicholson, Vice-President and Director of the Corporation, is authorized to sign, on behalf of the Corporation, any and all documents, including, but not limited too, purchase and sale agreements and closing documents, for the acquisition or sale of real property in Alaska;

FURTHER RESOLVED, that each officers of the Corporation, acting alone or with other officers, is hereby authorized to take all such actions and to execute such documents as shall, in his or her judgment, be necessary, proper and advisable in order to complete and carry out fully the intent, and to accomplish the purposes, of the foregoing resolutions; and it is;

FURTHER RESOLVED, that the Secretary of the Corporation be, and hereby is, authorized and directed to file these resolutions in the minute book of the Corporation.

IN WITNESS WHEREOF, the foregoing resolutions are adopted by the Directors of the Corporation as of the 26th day of May, 2004


Rick Van Nieuwenhuyse, Director

Doug Nicholson, Director

Robert J. MacDonald, Director