

**FAIRBANKS GOLD MINING INC.**

**[DRAFT] ADDENDUM TO AMENDED AND RESTATED MILLSITE LEASE**

**Fort Knox Mine Project**

**(amending the Millsite Lease that was effective January 1, 2002)**

**ADL Nos. 414960 and 414961**

**ADDENDUM TO AMENDED AND RESTATED MILLSITE LEASE  
ADL Nos. 414960 and 414961**

THIS ADDENDUM TO THE AMENDED AND RESTATED MILLSITE LEASE, amending the Millsite Lease effective as of January 1, 2002 (ADL Nos. 414960 and 414961), is agreed to and executed this \_\_\_\_\_ day of \_\_\_\_\_, 2006 by the following parties:

1. the State of Alaska Department of Natural Resources (“DNR”), acting through the Division of Mining, Land and Water (“DMLW”) pursuant to AS 38.05.255;
2. the Alaska Mental Health Trust Authority (“Trust Authority”), a public corporation within the Alaska Department of Revenue (AS 47.30.011 et seq.), acting by and through the Mental Health Trust Land Office (“TLO”) within the DNR pursuant to AS 37.14.009(a)(2) and AS 38.05.801; and
3. Fairbanks Gold Mining, Inc. (“FGMI”), a Delaware corporation the address of which is #1 Fort Knox Road, P.O. Box 73726, Fairbanks, Alaska 99707-3726, which corporation is a wholly owned subsidiary of Kinam Gold Inc. (formally known as Amax Gold Inc.) (“AGI”), a Delaware corporation all of the outstanding common shares of which are owned by Kinross Gold Corporation (“Kinross”), an Ontario corporation.

**RECITALS**

- A. In June 2006, FGMI submitted certain updated and new documents to request modification of project authorizations that would approve the development of the Walter Creek Valley Heap Leach Facility, include closure plans for the heap leach facility, and make certain other changes to the Reclamation Plan. Effective June 29, 2006, DNR posted for a 30-day public comment period said documents submitted by FGMI:
  1. Fort Knox Reclamation & Closure Plan (June 19, 2006);
  2. Walter Creek Valley Fill Heap Leach Project Description (June 23, 2006);
  3. Fort Knox Mine Closure Management Plan for the Proposed Heap Leach Facility (June 2006);
  4. Fort Knox Mine Tailing Facility Closure Management Plan (June 2006);and,
  5. Fort Knox Mine Monitoring Plan (June 2006).
- B. DMLW finds that the addition of a heap-leach operation at the Ft. Knox Mine constitutes a “change in use” within the meaning of Section 22(a) of the Amended and Restated Millsite Lease, requiring a modification of said Lease.

Now, therefore, FGMI, DMLW and TLO hereby agree and act as follows:

1. Effect.

Effective as of August 1, 2006, the parties agree that this Addendum amends the following sections of the existing Millsite Lease as follows:

2. Definitions.

d. “Facility” or “Facilities” – is amended to include “heap leach”.

g. “Millsite Operations”

*i* – is amended to include “heap leaching”.

*ii* – is amended to include “heap leach”.

4. Term.

d. – is amended to read: that portion of Waste Management Permit 2006-DB0043, Fort Knox Mine issued by the DEC concerning closure of the tailings impoundment, Walter Creek Valley Fill Heap Leach Facility, and the Fort Knox Mine Pit (if the Department of Environmental Conservation (DEC) authorizes and FGMI places waste waters into the pit as part of the closure of the tailings facility and/or the Walter Creek Valley Fill Heap Leach Facility).

5. Use Charge.

(a)(iv)(c) – is amended to update the mailing address for payments to the Trust Authority:

Alaska Mental Health Trust Land Office  
718 L Street, Suite 202  
Anchorage, Alaska 99501

9. Commencement of Millsite Operations.

f. – is amended to include the Walter Creek Valley Fill Heap Leach as one of the facilities that requires certification by an engineer or engineers that the facility was constructed in accordance with the plans that were submitted to the Division for review.

11. Inspection and Entry by the Division and the TLO.

b. - is amended to read: Each year this Lease is in effect, during the first (1<sup>st</sup>) calendar quarter, FGMI shall meet with the Division and the TLO to

provide an update and briefing describing the activities of the year immediately preceding and activities planned for the immediately upcoming year with a copy of the update and briefing materials to be provided ten (10) days prior to the meeting. The annual meeting will be held in conjunction with the Department of Environmental Conservation. At the discretion of the Division, the TLO or the DEC, this information may be made public in the context and format mutually agreed upon by FGMI, the Division, the DEC, and the TLO.

12. Environmental Audit.

- a. (second sentence) – is amended to read: The third-party contractor should be mutually agreed upon by the Division, DEC, TLO, and FGMI, but in the event that agreement cannot be reached, the agencies retain the final contractor selection decision.
- b. (second sentence) – is amended to read: The scope of subsequent audits should be mutually agreed upon by the Division, DEC, TLO, and FGMI, but in the event that agreement cannot be reached, the agencies retain the final audit scope decisions.

26. Notice.

- a. is amended to update the mailing address for notices to the Trust Authority:

Alaska Mental Health Trust Land Office  
718 L Street, Suite 202  
Anchorage, Alaska 99501

All other terms and conditions of the Amended and Restated Millsite Lease (ADL Nos. 414960 and 414961) effective as of January 1, 2002 remain unaffected by this Addendum.

EFFECTIVE as of August 1, 2006.

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

By: \_\_\_\_\_  
Dick Mylius, Acting Director

ALASKA MENTAL HEALTH TRUST AUTHORITY

By: State of Alaska  
Department of Natural Resources  
Mental Health Trust Land Office

By: \_\_\_\_\_  
Marty Rutherford, Executive Director

FAIRBANKS GOLD MINING, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
\_\_\_\_\_ Judicial District )

THIS CERTIFIES THAT on the \_\_\_\_ day of \_\_\_\_\_, 2006 at \_\_\_\_\_, Alaska, the foregoing document was acknowledged before me by (name) \_\_\_\_\_, Acting Director of the STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES, DIVISION OF MINING, LAND AND WATER, on behalf of said division within said department acting pursuant to AS 38.05255 and other applicable authority.

\_\_\_\_\_  
Notary Public for the State of Alaska  
My commission expires \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
\_\_\_\_\_ Judicial District )

THIS CERTIFIES THAT on the \_\_\_\_ day of \_\_\_\_\_, 2006 at \_\_\_\_\_, Alaska, the foregoing document was acknowledged before me by (name) \_\_\_\_\_, Executive Director of the MENTAL HEALTH TRUST LAND OFFICE within the STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES, on behalf of said office acting pursuant to AS 37.14.009(a)(2) and AS 38.05.801 and other applicable authority on its own behalf and for the ALASKA MENTAL HEALTH TRUST AUTHORITY.

\_\_\_\_\_  
Notary Public for the State of Alaska  
My commission expires \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
\_\_\_\_\_ Judicial District )

THIS CERTIFIES THAT on the \_\_\_\_ day of \_\_\_\_\_, 2006 at \_\_\_\_\_, Alaska, the foregoing document was acknowledged before me by (name) \_\_\_\_\_, (title) \_\_\_\_\_, on behalf of FAIRBANKS GOLD MINING, INC., a Delaware corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public for the State of Alaska  
My commission expires \_\_\_\_\_