

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING, LAND & WATER

SARAH PALIN, GOVERNOR

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September 7, 2007

Paddy Nicols
Niblack Mining Corporation
Suite 615 – 800 West Pender St.
Vancouver B.C. V63 2V6 Canada

Re: Tideland Lease, ADL 107544
Early Entry Permit

Dear Paddy Nicols:

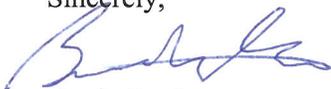
Enclosed please find a copy of the executed Early Entry Permit (ADL 107544) between the State of Alaska, Division of Mining Land and Water (DMLW) and the Niblack Mining Corporation. This permit is issued in association with the tideland lease for the Niblack Mine Project and for the purpose of developing and operating a marine terminal and completing a lease diagram and appraisal. This Early Entry Permit Expires on **July 31, 2009**. DNR must receive easement diagrams and appraisals as described in the permit prior to executing the lease:

The following deadlines from Attachment B of the permit are hereby summarized:

- **Appraisal Commitment:** A signed letter of intent from appraiser was due prior to issuance of the early entry permit, however, because DMLW had not completed its minimum rent determination it was unknown at that time whether an appraisal was required. Since then we have determined that this project does not qualify for minimum rent and an appraisal will be required. Please submit a letter of intent from your appraiser as soon as possible. Please reference the email sent to Darwin Green on August 14, 2007.
- **Lease Diagram:** February 2008 is the deadline for your surveyor to complete the lease diagram. Tideland Lease Diagram Instructions are enclosed.
- **Appraisal:** The summer or fall of 2008, following completion of the lease diagram, is the timeframe in which any field work required for the appraisal should be accomplished. January 2009 is the deadline to submit the completed appraisal report to DMLW.
- **Lease Execution:** The deadline for issuance of the lease is July 31, 2009.

If you have any questions or require assistance please contact me at the above mailing address, via email at brady_scott@dnr.state.ak.us, or at (907) 465-3406.

Sincerely,



Brady Scott,
Natural Resource Manager

Enclosure: Early Entry Permit (ADL 107544)
Tideland Lease Diagram Instructions

CC: Bob Tsigonis, Large Mine Project Coordinator

“Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans.”

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

**Southeast Regional Office, 400 Willoughby, P.O. Box 111020
Juneau, AK 99811-1020, (907) 465-3400**

**LAND USE PERMIT
Under AS 38.05.850
(Early Entry for Tideland Lease Site)**

PERMIT # **ADL 107544**

Niblack Mining Corporation is issued this permit to use the following described land:

Copper River Meridian, Township: 78 South, Range: 88 East, Section 34:

Containing **approximately 1.61** acre(s), and located in Niblack Anchorage in Moira Sound, adjacent to Prince of Wales Island.

The Development Plan for this site is shown on Attachment A. This permit is issued for the purpose of: Development of the land for a marine terminal consisting of a barge landing ramp, dock, seaplane float and camp barge, and completion of a lease diagram and appraisal. A sample Timeline is shown as Attachment B.

This permit is **not a property right and conveys no interest in State land**. This permit is a temporary authorization and is revocable immediately by written notice, with or without cause. After it is signed by both parties, this permit is **effective beginning August 1, 2007 and ending on July 31, 2009**, unless sooner terminated at the State's discretion. This permit is issued subject to: payment of the use fee (estimated annual market rent established in the final finding and decision prorated for 24months) in the amount of \$2,000.00; posting of a performance guarantee in the amount of \$30,000.00; posting of a cash penalty deposit in the amount of \$5,000.00; proof of insurance as required in condition # 16; and full compliance with all of the use conditions stated below.

ENTRY PERMIT CONDITIONS:

- Site Use and Development.** This permit grants exclusive use of the proposed lease site for the purpose of entry, site development and for use of the improvements placed on the tidelands. The use of State land authorized by this permit shall be limited to the area, development and uses specified in the approved Plan of Operations, as shown on Attachment A. The permittee, its agents and employees are responsible for accurately siting development and operations within this area. Use of this permitted area for any other purpose is prohibited. Any unauthorized use of State land in general by the permittee including its employees, agents, and guests is prohibited. Any proposed revisions to the approved Plan of Operations must be approved in writing by the Regional Manager before the change in use or development occurs.
- Permit Compensation.** The permittee agrees to pay the estimated market rental use fee stated above. If the appraised fair market rent for the term of the permit exceeds this amount, the applicant shall be required to pay the difference. If the appraised fair market rent is less than this amount, the difference will be credited or refunded to the applicant. Use fees shall be refunded prorated on a monthly basis if the permit is revoked without cause.
- Lease Requirements.** When a lease contract is offered, the permittee agrees to sign a lease contract and pay the annual lease compensation based upon the provisions stated in the final finding and decision. Permittee further agrees: 1) To provide an acceptable Lease Diagram prepared to Division of Mining, Land and Water (DMLW) standards. The area shown on Attachment A is the basis for the survey area; 2) to provide a current fair market value appraisal once the land is surveyed. 3) that all survey and appraisal costs shall be borne by the permittee. 4) That survey and appraisal shall be completed and delivered in a timeframe necessary to also provide a signed lease agreement before this permit expires. See Attachment B for timeline.
- Failure to Lease.** The permittee agrees to accomplish the survey and appraisal tasks in a timely manner and to return a signed lease agreement together with all required fees prior to the expiration of this permit. Failure to meet this deadline will result in penalties as provided in condition # 23. The Permittee agrees to remove those improvements specified by the Regional Manager and to return the site to a condition acceptable to the Regional Manager, if the permittee fails to enter into a lease of the site within the timeframes established under condition # 23. If said improvements or property are not removed from the permitted area within the time allowed, they shall at the State's discretion become the property of the State. The permittee shall be held liable for any and all costs incurred by the State to dispose of or clean up the permitted area in violation of this condition

5. **Public Trust Doctrine.** The Public Trust Doctrine guarantees public access to, and the public right to use, navigable and public waters and the land beneath them for navigation, commerce, fishing, and other purposes. This authorization is issued subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The permittee is authorized to make exclusive use of the permittee's improvements, but is not authorized to preclude or restrict public access on and through the permitted area. DMLW reserves the right to grant other interests consistent with the Public Trust Doctrine.
6. **Solid Waste** All solid waste and debris generated from the activities conducted under this authorization shall be removed to a facility approved by the Alaska Department of Environmental Conservation. Temporary storage and accumulation of solid waste (prior to its removal) shall conform to the following: a.) solid waste shall be stored in a manner that prevents a litter violation under AS 46.06.080; b) Putrescible wastes (material that can decompose and cause obnoxious odors) shall be stored in a manner that prevents the attraction of or access to wildlife or disease vectors; and c) the premises shall be maintained free of solid waste that might create a health or safety hazard.
7. **Wastewater Disposal.** Disposal of wastewater from any operation associated with this authorization must satisfy the requirements of the Alaska Department of Environmental Conservation. All floating structures that provide for human habitation shall be equipped with an approved marine sanitation device or other Coast Guard approved system.
8. **Fuel and Hazardous Substances.** To ensure future use of public lands as well as tide and submerged lands, fuel and hazardous substance use shall occur in a manner that avoids toxic discharge and run-off. The permittee is responsible for preventing spillage and contamination of contiguous land and water as well as cleaning up any oil or other pollutants that result from activities associated with this permit. Appropriate spill response equipment must be on hand to respond to spills from any transfer or handling of fuel or other hazardous substances. All independent fuel and hazardous substance containers shall be marked with the contents and the permittee's name using paint or a permanent label.
9. **Notification.** The permittee shall immediately notify the Department of Environmental Conservation (DEC) by telephone, and immediately afterwards send DEC a written notice by facsimile, hand delivery, or first class mail, informing DEC of: any unauthorized discharges of oil to water, any discharge of hazardous substances other than oil; and any discharge or cumulative discharge of oil greater than 55 gallons solely to land and outside an impermeable containment area. If a discharge, including a cumulative discharge, of oil is greater than 10 gallons but less than 55 gallons, or a discharge of oil greater than 55 gallons is made to an impermeable secondary containment area, the permittee shall report the discharge within 48 hours, and immediately afterwards send DEC a written notice by facsimile, hand delivery, or first class mail. Any discharge of oil, including a cumulative discharge, solely to land greater than one gallon up to 10 gallons must be reported in writing on a monthly basis. The posting of information requirements of 18 AAC75.305 shall be met. Scope and Duration of Initial Response Actions (18 AAC 75.310) and reporting requirements of 18 AAC 75, Article 3 also apply.

The permittee shall supply DEC with all follow-up incident reports. Notification of a discharge must be made to the nearest DEC Area Response Team during working hours: Anchorage (907) 269-3063, fax (907) 269-7648; Fairbanks (907) 451-2121, fax (907) 451-2362; Juneau (907) 465-5340, fax (907) 465-2237. The DEC oil spill report number outside normal business hours is (800) 478-9300.
10. **Inspection.** Authorized representatives of the State of Alaska shall have reasonable access to the subject parcel for purposes of inspection. The permittee may be charged fees under 11 AAC 05.010(a)(7)(M) for routine inspections of the subject parcel, inspections concerning non-compliance, and a final close-out inspection.
11. **Other Authorizations.** The issuance of this permit does not relieve the permittee of the responsibility to obtain authorizations required by other agencies for this activity
12. **Violations.** This authorization is revocable immediately upon violation of any of its terms, conditions, 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.
13. **Alaska Historic Preservation Act.** The permittee shall consult the Alaska Heritage Resources Survey (907) 269-8721 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) 269-8721 shall be notified immediately.
14. **Compliance with Governmental Requirements.** The permittee shall, at its expense, comply with all applicable laws, regulations, rules and orders, and the requirements and conditions included in this authorization. Permittee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees.
15. **Performance Guaranty.** The permittee shall provide a surety bond or other form of security acceptable to DMLW in the amount of \$30,000.00 payable to the State of Alaska. Such performance guaranty shall remain in effect for the term of this authorization and shall secure

performance of the permittee's obligations hereunder. The amount of the performance guaranty may be adjusted by the Regional Manager upon approval of amendments to this authorization, changes in the development plan, upon any change in the activities conducted or performance of operations conducted on the premises. If Permittee fails to perform the obligations under this permit within a reasonable time, the State may perform Permittee's obligations at Permittee's expense. Permittee agrees to pay within 20 days following demand, all costs and expenses reasonably incurred by the State of Alaska as a result of the failure of the permittee to comply with the terms of this permit. The provisions of this permit shall not prejudice the State's right to obtain a remedy under any law or regulation. Failure by Permittee to provide replacement security, upon notice of non-renewal of an existing form of security, shall be grounds for the State to make a claim upon the existing security to protect the State's interests. If the Regional Manager determines that the permittee has satisfied the terms and conditions of this authorization the performance guaranty may be released. The performance guaranty may only be released in a writing signed by the Regional Manager.

16. **Insurance** The Permittee shall:

- a) Consult, as appropriate, with an insurance professional licensed to transact the business of insurance under Alaska Statute, Title 21, to determine what types and levels of insurance are adequate to protect the Permittee and Permitter (the State, its officers, agents and employees) relative to the liability exposures of the Permittee's commercial operations.
- b) Secure or purchase at permittee's own expense, and maintain in full force at all times during the term of the permit, adequate insurance policies and coverage levels recommended by an insurance professional, licensed to transact the business of insurance under Alaska Statute, Title 21, and acceptable to the State of Alaska. The State will expect to see at a minimum, the following types of coverage:
 - i) **Commercial General Liability Insurance:** The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically reviewed and agreed to by the Division of Risk Management, Alaska Department of Administration.
 - ii) **Workers' Compensation Insurance:** The permittee shall provide and maintain, for all its employees, Workers' Compensation Insurance as required by AS 23.30.045. Where applicable, coverage must comply with any other statutory obligations, whether Federal (i.e. U.S.L.&H.), or, Jones Act) or other State laws in which employees are engaged in work on the permitted premises. The insurance policy must contain a waiver of subrogation clause in favor of the State of Alaska.
- c) Ensure that the State of Alaska, Department of Natural Resources is included as an additional insured on all liability policies held by the permittee that provide coverage for liabilities connected to the operations of the permittee on or in conjunction with the permitted premises, referred to as ADL 107544.
- d) Provide proof of insurance to the Regional Manager on a yearly basis. The certificate must provide for a 30-day prior notice to the State of Alaska in the event of cancellation, nonrenewal or material change of conditions. Failure to furnish satisfactory evidence of insurance, or lapse of the policy, is a material breach of the permit and shall be grounds, at the option of the Permitter, for termination of the permit. Generally, the State of Alaska will rely upon the best professional judgment of the licensed insurance agent and, at renewal, the agent's annual re-assessment of the insured's liability exposure for determination of adequate levels of coverage. The State of Alaska reserves the right to require additional coverage if, in its discretion, it determines that it may be warranted. Any changes in the approved permit development and operations plan, or the existence of significant claims against the liability coverage, would warrant examination of the insurance by the State to determine adequacy.
- e) In the event the Permittee becomes aware of a claim against any of its liability coverage, the Permittee shall notify, and provide documentation and full disclosure of the claim to the Regional Manager within 20 days.

17. **Assignment** The permittee may not transfer or assign this permit to another individual or corporation.

18. **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.

19. **Maintenance.** The State assumes no responsibility for maintenance of improvements constructed on State land nor liability for injuries or damages attributable to that construction. The permit area shall be maintained in a neat, clean and safe condition, free of any solid waste, debris or litter.

20. **Returned Check Penalty.** A returned check fee as provided in 11 AAC 05.010 will be assessed for any check on which the bank refuses payment. Late payment penalties shall continue to accumulate.

21. **Change of Address.** Any change of address must be submitted in writing to the Regional Manager.

22. **Alaska Coastal Management Program.** Pursuant to AS 46.40 and 11 AAC 110 and the final consistency determination, #AK 0704-03J dated June 22, 2007, Permittee shall comply with the final project description.

23. **Default Penalty.** The purpose of this permit is to allow continued use of State land for the reasonable amount of time necessary for the permittee to deliver to DMLW all items required for the Division to sign the lease document before the expiration date of this permit. To guarantee this outcome, the permittee has submitted a \$5,000 cash deposit to DMLW as a guaranteed default penalty to be assessed if, by the expiration date of the entry permit, the permittee has not satisfactorily completed the survey and appraisal tasks and returned a signed lease agreement, prepared by DMLW, along with fees. In assessing a penalty DMLW shall, in its discretion, make allowance for circumstances which are beyond the ability of the applicant or the applicant's agent or contractor to control. Penalty for failure to complete these requirements before **24-month** deadline shall be as follows:
- a) In the event that either or both of the survey and appraisal requirements are not met by the deadlines stated in Attachment B causing a delay in subsequent division review, approval, recording, and contract drafting functions and ultimately failure to return a signed lease agreement prior to the expiration date of this entry permit, the applicant agrees to the following penalty schedule:
 - i) automatic forfeiture of 50% (\$2,500) of the cash deposit to the State as a default penalty payment for failure to submit the signed lease by the permit expiration deadline.
 - ii) failure to provide the signed lease by the end of the 30th day following the entry permit expiration date will result in the automatic forfeiture of the remaining \$2,500 cash deposit to the State as an additional default penalty payment.
 - b) If the lease agreement is signed, notarized and submitted to DMLW by the permit expiration date, then the cash deposit will be released to the applicant.
 - c) If upon expiration of the early entry permit and the passing of 30 additional days with penalties assessed per above, the applicant fails to meet the terms of the entry permit, the Regional Manager may in his or her discretion give notice of termination of the entry permit and closure of the lease application casefile. Upon termination and closure, the permittee shall immediately cease all use of the site, remove all improvements, and return the site to an acceptable condition within 60 days. Under these circumstances, the permittee's acceptance of the provisions of the entry permit together with a failure to remove all improvements within the 60 days shall result in an automatic transfer of ownership of: any remaining improvements; the performance guarantee; and any remaining deposits to the State of Alaska. As an alternative to the above action, the Regional Manager may, in his or her discretion, agree to an additional amount of time beyond the 30 days, to provide the signed lease agreement and may require additional penalties and monetary assurance to guarantee the performance.
24. **Tracking.** DNR will track and record the time it takes to issue survey instructions, review drafts, review and approve the survey and appraisal, and prepare and deliver the lease agreement to applicant, and shall commit to taking no longer than 9 months to accomplish its role in the process. This time period assumes that two reviews of the draft plats will be required. Attachment B contains a proposed 24 month timeline indicating reasonable target deadlines for the steps needed to deliver a signed lease prior to the entry permit expiration date. Any additional time needed by DNR survey staff beyond 9 months to review submitted products shall be credited to the permittee in determining the deadlines for the penalty assessments described above.

DUE TO THE PENALTIES FOR FAILURE TO MEET ALL SURVEY AND APPRAISAL REQUIREMENTS WITHIN A TIMEFRAME THAT ALLOWS EXECUTION OF THE LEASE PRIOR TO EXPIRATION OF THE ENTRY PERMIT, PLEASE BE ADVISED OF THE FOLLOWING:

In order to allow adequate time for DNR to complete the final survey approval, prepare and send the applicant the lease contract two weeks prior to the permit expiration, it will be necessary for the final signed survey plat to be submitted to DNR no later than 15 months following the starting date of the entry permit. Likewise, the appraisal report valuing the land depicted in the approved plat must be submitted to DNR no later than 17 months after the starting date of the entry permit. Failure to adhere to these time frames may result in failure to execute the lease within the term of the entry permit and result in the substantial penalties stated above.

25. **Special Conditions:**

1. No in-water work shall be permitted from April 1 through June 15 of any year to protect out-migrating salmon.
2. No docks, ramps or other structures that block sunlight shall be placed in or over eelgrass beds.
3. Barges and floating docks shall not ground during any tidal stage.
4. The use of any wood that has been treated with Pentachlorophenol is prohibited.
5. Piles shall be driven with vibratory hammers.
6. Piles located in intertidal areas shall be driven during low tide.

Attachment A
Approved Development and Operations Plan
ADL 107544

Submitted to:

*State of Alaska Department of Natural Resources
Division of Mining, Land, and Water*

**REVISED TIDELAND LEASE
DEVELOPMENT PLAN**

for the

**Niblack Exploration Project
Marine Dock and Barge Landing Facilities**

Submitted For:

*Niblack Mining Corporation
Darwin Green, V.P. Exploration
Suite 615 – 800 West Pender St.
Vancouver, B.C.
Canada, V63 2V6*

Submitted By:

*RTR Resource Management
1109 Main St - Suite 480
Boise, Idaho
83702
(208) 343-8727*

March, 2007

TABLE OF CONTENTS

SECTION 1. INTRODUCTION	1
SECTION 2. CONSTRUCTION DETAILS	2
SECTION 3. OPERATIONS.....	4
3.1 Construction Best Management Practices	4
3.2 Operational Best Management Practices	5
3.3 Monitoring	7
3.4 Maintenance of the Dock and Barge Landing Facilities.....	7
SECTION 4. CLOSURE/ RECLAMATION PLAN.....	8
SECTION 5. REFERENCES.....	9

LIST OF APPENDICES

Appendix A	Niblack Drawing Sheets
	Sheet 1 Site Location Map
	Sheet 2 Area Plan and Regional Location Map
	Sheet 3 Marine Facility Diagram, Detailed Site Plan
	Sheet 4 Marine Facility Diagram, Section A-A'
	Sheet 5 Marine Facility Diagram, Section B-B'
	Sheet 6 Marine Facility Diagram, Section C-C'
Appendix B	Tidelands Application Form
Appendix C	Niblack Wetlands Delineation
Appendix D	ACMP Coastal Zone Questionnaire
Appendix E	Environmental Risk Questionnaire
Appendix F	ACOE Permit Application

SECTION 1. INTRODUCTION

This Development Plan is part of the Tidelands Lease Application for a proposed barge and landing craft ramp and a mooring terminal for the Niblack construction and exploration project located within Niblack Anchorage on Prince of Wales Island. The project is located approximately 24 miles southwest of Ketchikan (Sheet 1).

The Niblack construction and exploration project is currently permitting for future activities associated with the ongoing evaluation of the mineral potential at this property. The proposed marine dock and barge landing facility is required to provide a means of delivering equipment and supplies to the project, primarily to complete an underground tunnel required to further define the mineral resource. The overall project siting arrangement is shown in Sheet 2 and 3. Construction activities are being permitted and overseen by the Alaska Department of Natural Resources Large Mine Project Team (ADNR-LMPT). The team also involves the Alaska Department of Environmental Conservation (ADEC), and the Alaska Department of Fish and Game (ADF&G).

SECTION 2. CONSTRUCTION DETAILS

The Tidelands Lease Application Form is presented in Appendix B. Niblack Mining Corporation (NMC), a Vancouver, British Columbia, Canada corporation has proposed the construction/exploration project, including those components which require a Tideland Lease Development Plan.

There are presently no marine facilities to allow for docking of barges or landing craft at the Niblack project. It is planned to construct a new marine terminal that will accommodate the 20-foot tide variance and allow heavy equipment to be unloaded safely. A 500 ton bulk mining sample will also be mined and shipped off-site for metallurgical testing. The dock and barge load-out are needed for these activities.

The barge and landing craft ramp will consist of a 10-foot high bulkhead constructed from cement blocks at the toe of the facility, which will then be backfilled with quarried rock to a 5% grade back to the access road. The structure will be approximately 24 feet wide and have an overall length of approximately 60 feet. This facility will be constructed between the 0 elevation contour and the 17 foot contour, just above the mean high water mark of 14.5 feet for this area. It is estimated that approximately 500 yards of fill will be required to construct the facility. The location of the proposed ramp is shown on Sheet 2 and 3, and a cross-section of the proposed facility is shown on Sheet 6.

The proposed location of the mooring facility is also shown on Sheet 3, and cross-sections are provided in Sheets 4 and 5. The mooring facility consists of a 5 ft x 100 ft pile supported walkway that is connected to 10 ft x 225 ft float with a 5 ft x 70 ft ramp. Total area of the walkways and float is 3100 square feet. The facility will include a total of twelve 16 inch diameter piles, and will accommodate mooring of a floating camp barge on its east side, and transient equipment and supply barges on its west side. Float plane and small craft mooring is also provided. The structures will be constructed of galvanized steel and timbers. The piles will be made of galvanized steel with a galvanized steel pile cap. Installation will be with a vibratory hammer. Pressure-preservative treated timbers will be used for the stringers, cross beams, and the decking. The bullrails, handrails, and rubstrips will also be made of timber. The struts will be made of galvanized steel pipe.

At a mean low low tide (0 foot elevation), approximately 30 feet of the mooring piles will be exposed above the water level. There is no fill, other than the mooring dolphins, associated with the construction of this facility.

The barge landing ramp and mooring facility will be designed to facilitate minimal disturbance of areas below high tide levels. To protect important eelgrass habitat in the lower intertidal and offshore areas, propulsion systems will not be used on landing craft, tugs, self-propelled barges or other craft using the barge landing site when tidal stage is less than half mean high water (7.6 foot contour).

Minor supply needs and emergency requirements will be provided by floatplane or by boat. These smaller vessels will utilize a floating dock secured to the floating camp to provide safe, unencumbered access. The float plane dock will be 10 ft x 50 ft (500 sq ft), and is included in the overall 10 ft x 225 ft float described above.

The marine landing facilities have been designed to minimize the amount of excavation and construction in the intertidal and beach areas. The dock/landing facility construction will create a barge landing fill ramp and a small laydown yard for handling of cargo. Construction of the marine terminal facilities will involve approximately 500 cubic yards of fill within a footprint of approximately 1440 square feet. Essentially all of the fill volume will occur below the mean high water line on lands administered by the ANDR.

SECTION 3. OPERATIONS

Access to the marine dock/landing area will be via the portal access road. Staging at the marine facility is a necessary function of barging activities. A modest (50 foot by 50 foot) staging and storage area will be located at the marine facilities. The site is not in delineated wetlands. Appendix C, *Niblack Wetlands Delineation* (HDR, Alaska, 2006), is provided for easy reference. This will provide for temporary storage and staging of materials and containers, as well as spill response equipment and sorbent booms.

All of the associated utilities for these new facilities will be provided by the camp barge which will be moored adjacent to this area. No water, sewer, or other utilities are planned to be located at the site. Portable toilets may be provided in the laydown area.

Landing craft will transfer freight and equipment across the gravel ramp. Moorage will be temporary, while loading and unloading occurs. Vehicles will traverse the ramp and approach fill to get to the uplands staging and parking areas.

The camp barge will breast against the mooring dolphins. Barge operators will secure mooring lines to the dolphins. The transfer bridge will be lowered onto the barge. Supplies for the camp will be transferred across the transfer bridge or across a floating dock tied off to the camp barge.

All fuel transfers will be conducted in accordance with the specific requirements of the approved plans for applicable federal, state, and local regulations. Material delivery will be via isotainers (fuel) or other appropriate packaging as required by the Alaska Department of Transportation (ADOT). These supplies will be unloaded in a similar manner to other cargo. Fuel isotainers will be temporarily placed at the laydown areas in contained bermed storage areas. Forklifts will be utilized to remove containers from the barges and deliver them to storage areas or onto transfer vehicles for transport to the site working areas. Cargo will be containerized and palletized as required by ADOT and the respective cargo transport service.

3.1 Construction Best Management Practices

The Best Management Practices (BMPs) that would be followed during the construction phase of the marine dock/landing area facility include those listed below:

- Hydraulic equipment used on barges will use vegetable oil or another biodegradable fluid rather than petroleum based oils.
- Refueling of construction equipment will be conducted on shore in a designated area with containment (liner and berming).

- Fuel transfers will incorporate level sensors, drip pans, and other precautionary measures, as appropriate.
- Oil spill response equipment will be readily available to respond to and contain any oil spills (NMC, Revised Plan of Operations, 2007). Spill response equipment will include absorbent materials, containment booms, and appropriate personal protective equipment. Personnel that are trained in responding to spills will be at the scene during all operations that could result in a spill.
- Spills into coastal waters will be reported to the appropriate agency immediately (ADEC, EPA, Coast Guard). Oil absorbent booms/socks will be placed around the spill sheen to contain it and to absorb as much of the petroleum product as possible.
- Reportable spills on land will be immediately cleaned up and reported to the appropriate agency.
- Upland disposal sites for waste cleanup will have silt curtains placed around the disposal area. Straw bales will be placed in drainage swales at periodic intervals to contain and filter muddy waters.

The following (BMPs) would be incorporated during the construction and operation of the ancillary facilities:

- Runoff from the laydown areas, any topsoil stockpiles, and other ancillary construction sites and/or facilities will be filtered by silt fences, hay bales, or other appropriate methods. Sediment traps would be regularly inspected, cleaned, and maintained.
- The laydown areas and access roads will be surfaced with crushed gravel, to limit erosion.
- Boat or other vehicle maintenance activities would not allowed in the vicinity of the marine dock/landing area.
- Natural vegetation will be left in place along the shoreline wherever possible. Disturbed and exposed soils would be revegetated as soon as practicable. Runoff would be diverted around exposed soils to heavily vegetated areas in the forest.

3.2 Operational Best Management Practices

The following operational BMPs were taken from a compilation of recommended BMPs for Alaska Harbors by Neil Ross Consultants and Concepts Unlimited, 1995.

Solid Waste

- Trash containers will be provided on shore at the marine terminal.
- Waste receptacles will be placed on docks and secured, to prevent accidental spillage into the water.

Liquid Waste

- Spill absorbent pads and booms would be readily available in the event of a spill.
- Propylene glycol based antifreeze (orange color) will be used in place of ethylene glycol based antifreeze (green color) wherever possible, because it is less toxic.

Petroleum Leaks and Spills

- An oil Spill Response Plan (SRP) would be developed for the marine docking/landing facility.
- Adequate spill response equipment will be easily accessible and located at a clearly marked site. Phone numbers and directions on reporting spills would also be clearly posted at the same location.
- Used spill response equipment will be properly disposed of.
- Biological cleaners, which consume and digest petroleum pollutants, will be used to ensure complete remediation of spill waste material, wherever appropriate.

Bilge Water

- Prior to discharging bilge water, the discharge will be inspected to ensure that no oil or fuel has been spilled into the bilge. Bilge water would not be discharged if it has a sheen or if it contains solvents, detergents or other additives.
- An oil/water separator will be installed in the bilge and in the bilge water pump discharge line. The separator will be maintained regularly.
- Niblack will recommend that oil-absorbing materials be used in bilge areas of boats that have inboard engines.
- Non-alkaline, biodegradable bilge cleaners will be used at the construction site.

3.3 Monitoring

Baseline

Niblack will collect pre-project environmental baseline marine water quality samples, consistent with the site-wide water quality monitoring plan in the vicinity of the dock/barge ramp landing area. These water quality conditions are summarized in a separate document. *Niblack Water Quality Monitoring and Baseline Plan, Knight Piesold Consulting, January, 2007.* This would include at least one set of chemical parameters and polycyclic aromatic hydrocarbons (PAH) from one to three sites, which can be indicative of pre-existing diesel fuel spills.

Operational

A similar set of samples will be collected and analyzed during the construction period. This will document any impacts related to construction activities and/or fueling.

Reporting and Data Review

This information will be submitted to the ADEC and ADNR as part of the annual monitoring report. The *Niblack Water Quality Monitoring Plan (January, 2007)* is presented in a separate document.

3.4 Maintenance of the Dock and Barge Landing Facilities

The facilities will be constructed of materials that will require relatively little maintenance. All necessary maintenance will be performed by Niblack personnel or their contractors. Floats and walkways will be cleaned periodically. The galvanized coatings will also be maintained periodically. Cathodic protection systems will be installed and repaired when required. The ramp foundation will be inspected after major storm events, to ensure that the backfill rubble material was not displaced by large waves. Timbers will be inspected once per year. Damaged or rotten timbers will be repaired or replaced as necessary. When treatment is required, tarps and other means will be used as appropriate to prevent any hazardous substances from entering the water.

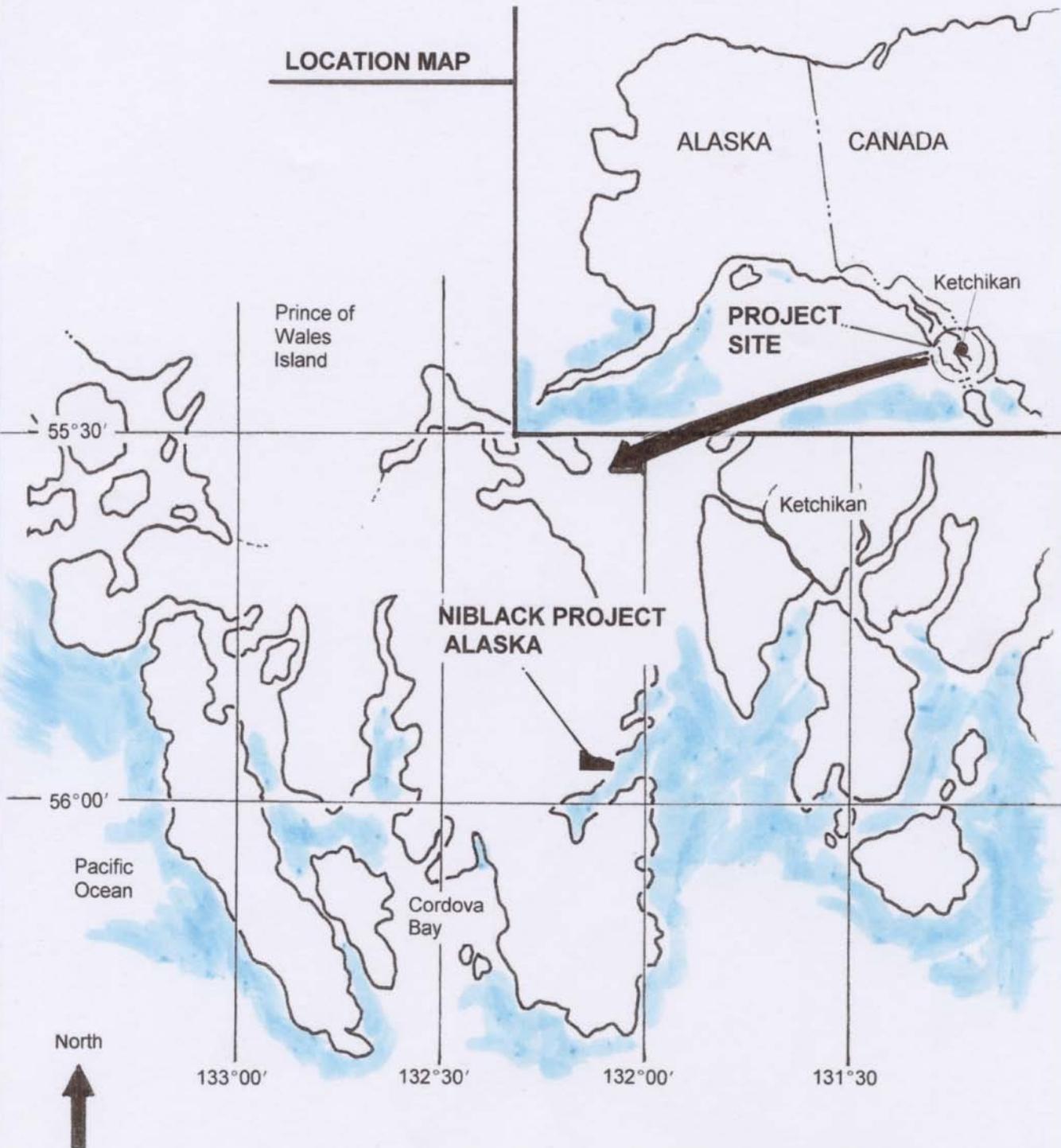
SECTION 4. CLOSURE/ RECLAMATION PLAN

All constructed facilities would be removed from the docksite area as part of the closure and reclamation activities. Scrap or demolition materials from the marine facilities will be disposed off-site. The fill in the landing approach would be removed and disposed of at the non-acid generating (NAG) waste rock storage site. The laydown area would be regraded and scarified. Any disturbed areas would then be seeded with approved vegetation.

SECTION 5. REFERENCES

1. Neil Ross Consultants and Concepts Unlimited. 1995. *BMP Examples for Alaska: Compilation and Assessment for Harbor, Marina, boat Operations, Repair and Maintenance.*
2. RTR Resource Management, Inc. 2006. *Niblack Mining Corporation Lookout Unit Storm Water Pollution Prevention Plan.*
3. Knight Piesold Consulting. 2007. *Water Quality Baseline and Monitoring Plan, Niblack Construction and Exploration Project*
4. Niblack Mining Corporation. 2007. *Revised Niblack Construction/Exploration Plan of Operations*

LOCATION MAP



NIBLACK MINING CORP

PROPOSED EXPLORATION PROGRAM

NIBLACK PROPERTY PROJECT LOCATION

LOCATION T78S R88E MERIDIAN: COPPER RIVER

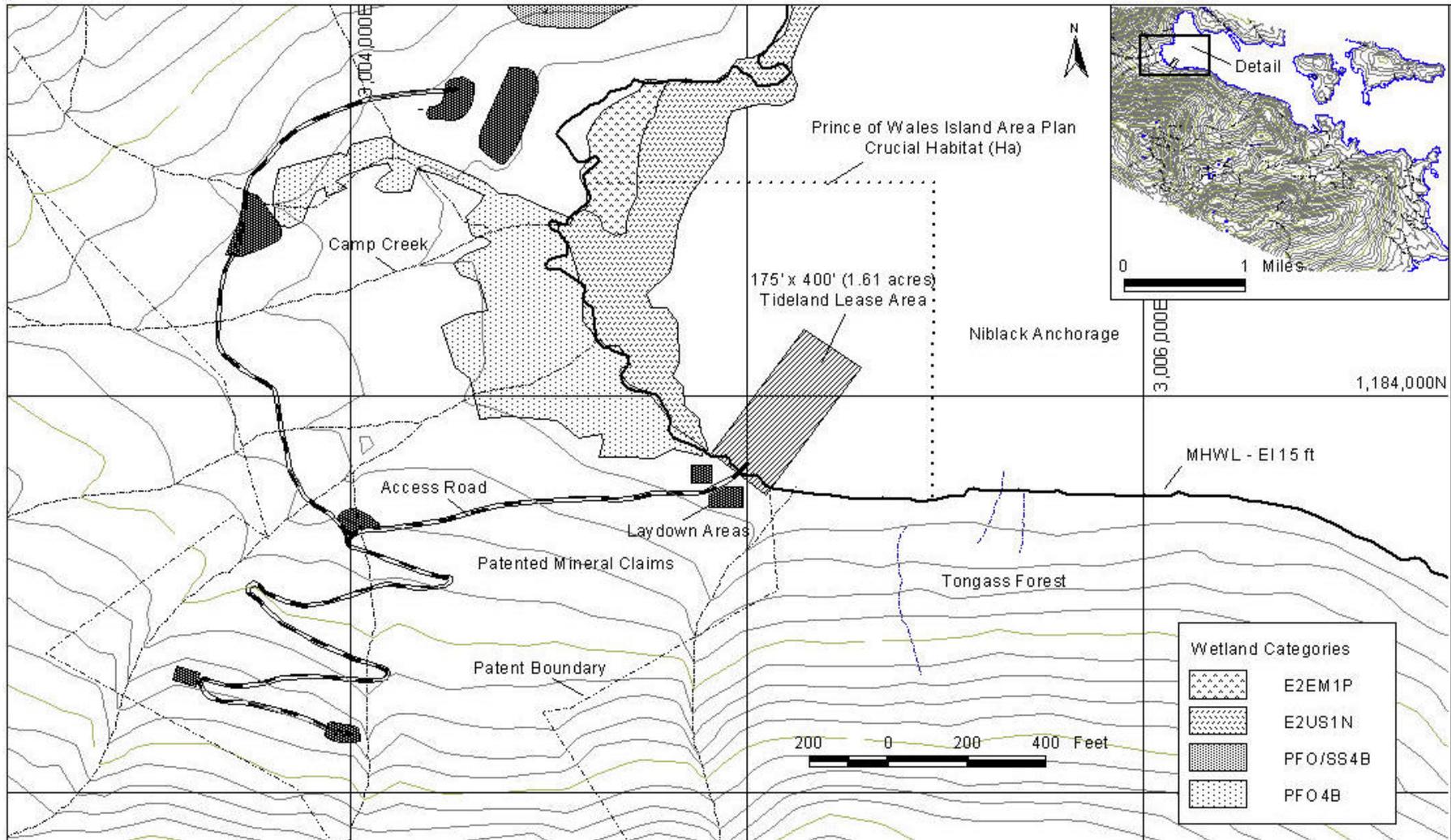
Sheet 1

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Page 13

Attachment A

Scale noted



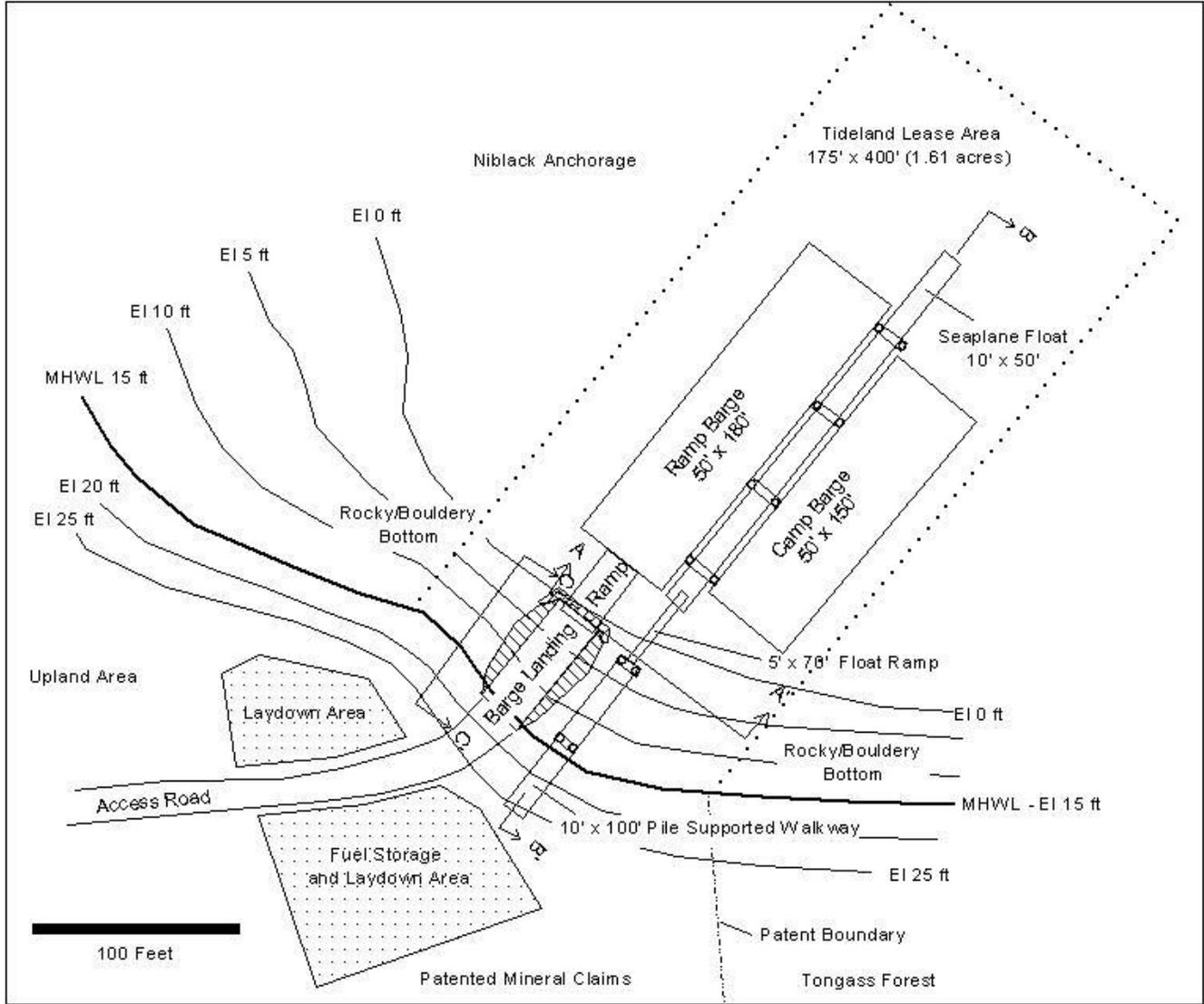
NIBLACK MINING CORPORATION

Marine Facility Diagram
Area Plan - Location Map

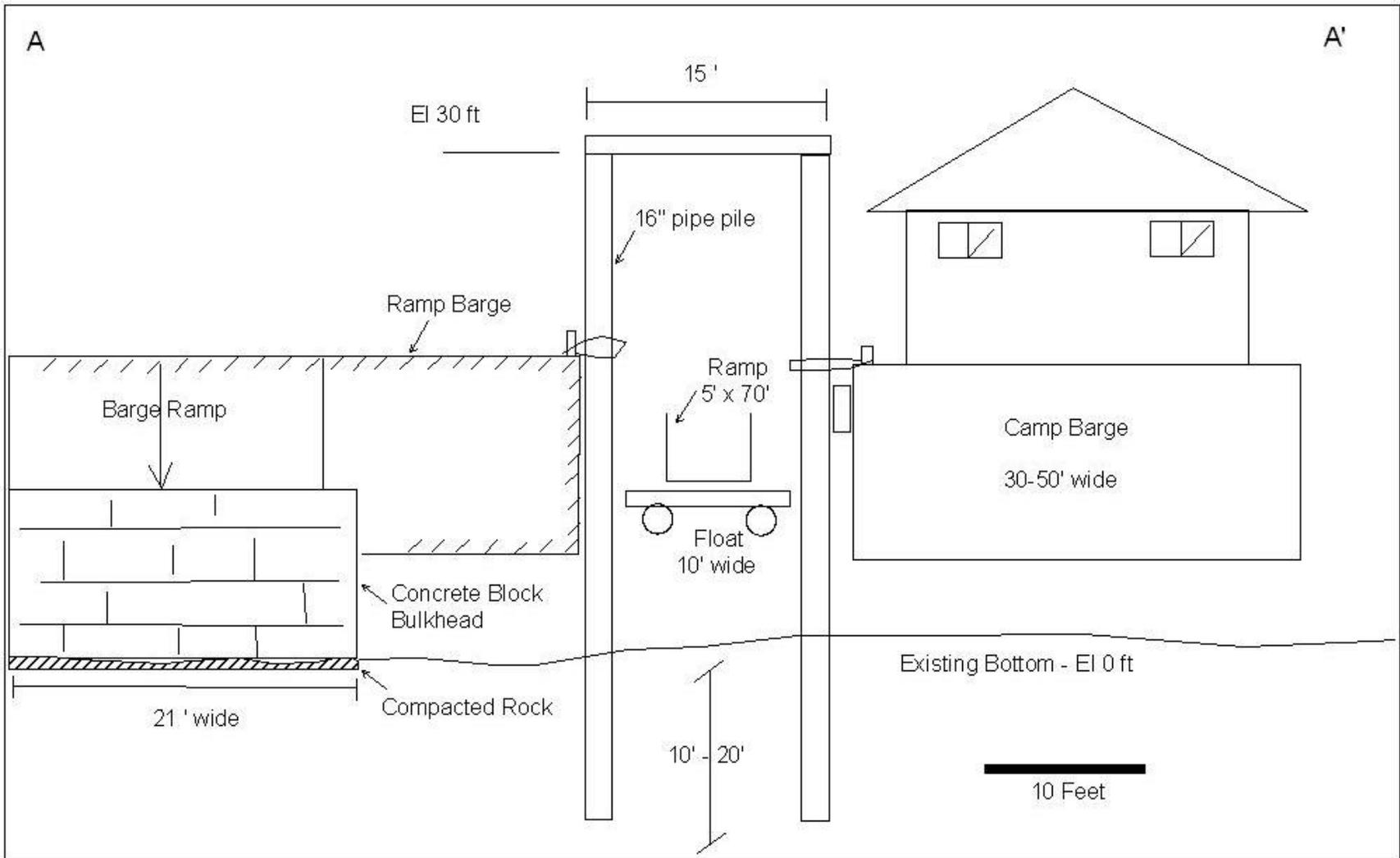
Location T78S R88E Meridian: Copper River

February 5, 2007

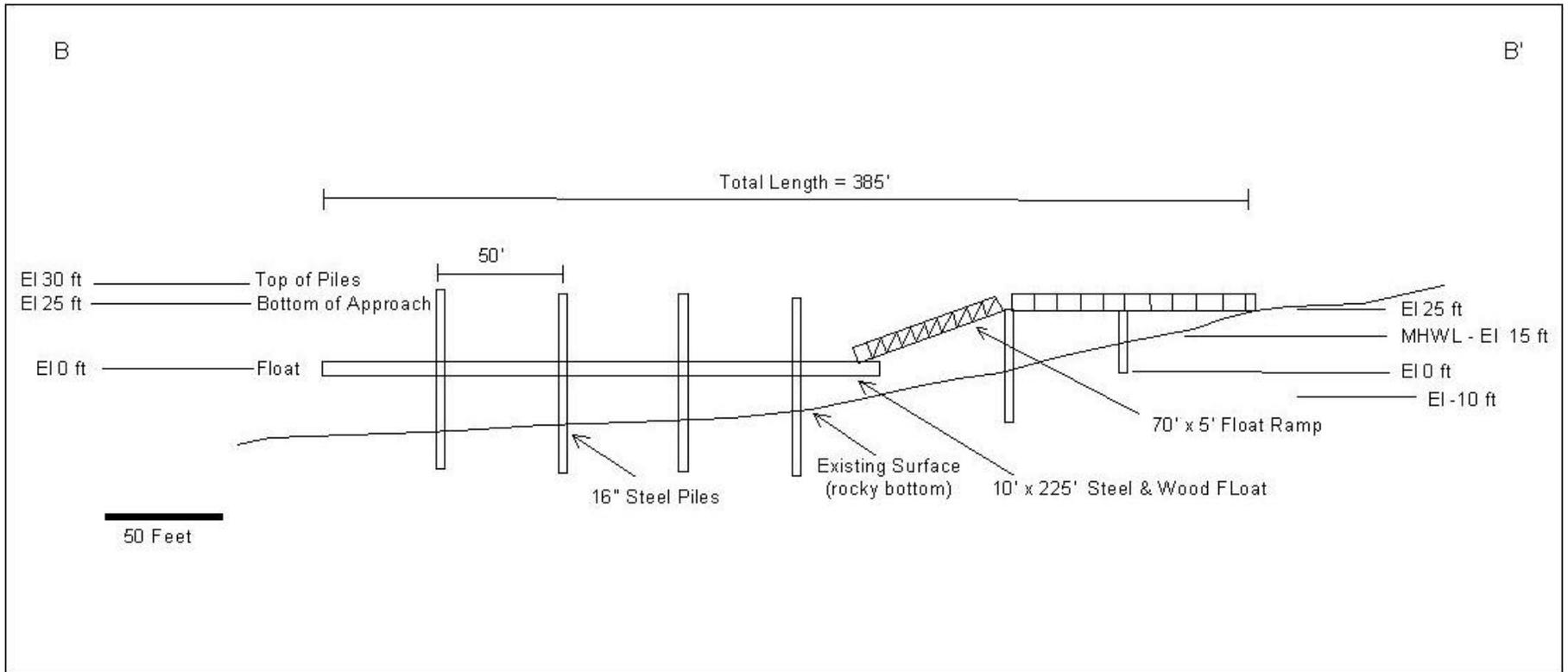
Sheet 2 of 6



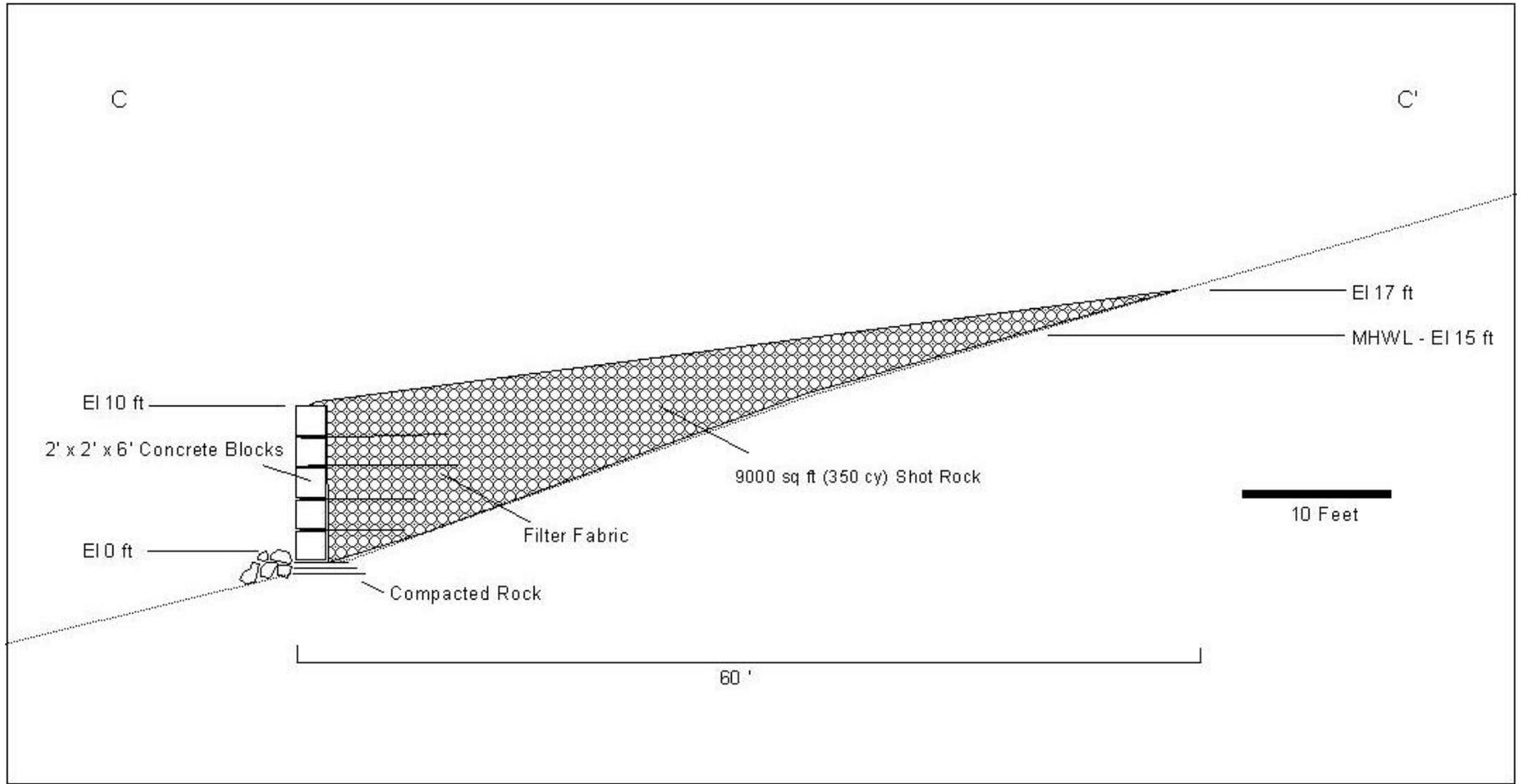
NIBLACK MINING CORPORATION	
Marine Facility Diagram Detailed Plan	
Location T78S R88E Meridian: Copper River	
February 5, 2007	Sheet 3 of 6



NIBLACK MINING CORPORATION	
Marine Facility Diagram Section A - A'	
Location T78S R88E Meridian: Copper River	
February 5, 2007	Sheet 4 of 6



NIBLACK MINING CORPORATION	
Marine Facility Diagram Section B - B'	
Location T78S R88E Meridian: Copper River	
February 5, 2007	Sheet 5 of 6



NIBLACK MINING CORPORATION	
Marine Facility Diagram Section C - C'	
Location T78S R88E Meridian: Copper River	
February 5, 2007	Sheet 6 of 6

Tentative timeframes needed to accomplish executed lease agreement without penalties

month #	month	Done by end of month
0*		Deadline for applicant to submit: 1) commitment from surveyor to meet these timeframes. 2) signed letter of intent from qualified appraiser.
1	Aug-07	Construction Period
2	Sep-07	
3	Oct-07	
4	Nov-07	
5	Dec-07	
6	Jan-08	
7*	Feb-08	Deadline for surveyor to complete field survey, draft platting work, and submit 1st draft of lease diagram to DNR for review.
8	Mar-08	
9	Apr-08	Deadline for DNR to complete review of lease diagram and return comments /instructions to surveyor. Second draft may/ may not be needed.(60 days)
10	May-08	
11*	Jun-08	Deadline for surveyor to complete all changes corrections in draft lease diagram and submit 2nd draft lease diagram to DNR for review.
12	Jul-08	
13	Aug-08	Deadline for DNR to complete review of 2nd draft lease diagram and return comments / instructions to surveyor. (60 days)
14	Sep-08	
15*	Oct-08	Deadline for surveyor to complete final lease diagram with signatures and submit to DNR for final review, and approval.
16	Nov-08	
17*	Dec-08	Absolute latest deadline for appraiser to start appraisal assuming it can be completed and submitted to DNR within 30 days.
18*	Jan-09	Deadline to submit completed appraisal report to DNR for review and approval.
19	Feb-09	
20	Mar-09	
21	Apr-09	
22	May-09	Deadline for DNR to complete appraisal review. (120 days)
23	Jun-09	Deadline for DNR to get lease agreement to applicant. (30 days)
24*	Jul-09	End of month is deadline for lessee to return signed lease agreement with first year rent, document handling - recording fees, corporate resolution.
* = Requirement of the applicant or applicant's agents		