FAQs

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GENERAL FAQS:

Noteworthy items to keep in mind:

- State budget crisis and the impact it will have on rural Alaska, particularly with respect to the uncertainty surrounding the permanent fund checks, community funding (including revenue sharing), and power cost equalization to name a few
- The heightened sensitivity people have because of several consecutive years of very limited chinook salmon openings and restricted take limits on the Kuskokwim and related management issues
- Alaskan and Alaska Native sensitivity to "outsiders", especially foreign companies, who are perceived as coming in and telling them what to do, or taking advantage of them
- Donlin Gold is developing the project at the invitation of Calista
- Calista selected the lands at Donlin because of the known mineral potential. Selection was made pursuant to the Alaska Native Claims Settlement Act of 1971 (ANCSA) which provided for the selection of lands valuable for natural resources in compensation for extinguishment of Alaska Native rights. The Kuskokwim Corporation is the village corporation that owns the surface of most of the lands at Donlin.

- **Why is Donlin Gold so important to the region?**
  At this critical time for the State of Alaska, Donlin Gold offers an important opportunity to diversify Alaska's economy and provide jobs in an economically challenged area of the State. As a resource rich state, Alaskans have the opportunity to ensure the responsible development of these resources for their benefit and the State's economic prosperity.

  Our partnerships with Calista and TKC are meaningful, in part because they are the basis for achieving ANCSA's vision of Alaska Native Corporations self-determination through economic development of the lands selected for their natural resources potential. Perhaps more importantly, Calista's, TKC's, and Donlin Gold's two-decade long relationship with each other and the broader stakeholders in the Yukon-Kuskokwim region demonstrate the value of working collaboratively for the development and prosperity of the region. While it remains in the ground, the gold discovered at Donlin Gold has no value. Transforming that gold into a product that can be sold in the international market will generate economic opportunity for Calista, TKC, their shareholders, and all Alaskans.

  Hiring, training and employing people in Alaska will ensure the sound development, operation, and closure of the Donlin Gold mine with the highest regard for our state's land, air, water and wildlife. It will also provide a revenue stream to residents in the region's villages, allowing them to earn a good living while maintaining a residence in their home village and perpetuate their traditional lifestyles. It is hoped a project like Donlin can slow or even reverse the trend of smaller populations in the villages that threaten their existence.

- **What are the benefits for people residing in the Y-K region?**
  The benefits for the entire region will be far-reaching given the number of services and resources needed to ensure the successful development and operation of an asset as important as Donlin Gold. Donlin Gold's projected 27-year mine life means that the project benefits will be enjoyed for decades. Donlin Gold hopes to have several generations of Y-K residents employed by the company and its contractors, similar to the opportunities realized by NANA shareholders at the Red Dog Mine.

Key benefits for the residents of the Y-K region include jobs, transportation (air, water and ground), tax revenue, 7i/7j sharing provisions for all ANCSA shareholders, and infrastructure development in the region. In addition, as indicated by the examples shown through the exploration phases of the project, we will give residents the opportunity to pursue good, long-term, and safe careers while allowing them to remain in the region and practice traditional ways of life.

- **When do you anticipate receiving permits?**
  The U.S. Army Corps of Engineers ("Corps") issued a final Environmental Impact Statement (EIS) in April 2018. The EIS is the most time-consuming aspect of the National Environmental Policy Act (NEPA) process and in large part drives the overall permitting timeline for the project. The EIS is not a permit but is an information document that federal agencies use prior to making a permit decision. No activities are authorized by the final EIS. It just means the agencies can then begin to issue permits based on the information gathered during the EIS process.

  The Corps and Bureau of Land Management (BLM) are expected to issue a single Federal Record of Decision (ROD) for the project in the second half of 2018.Work also continues with state and federal agencies to advance all other required permits, including the Clean Water Act Sections 404 and 10 permit, integrated waste management permit, dam safety approvals, water useand fish habitat permits, the reclamation and closure plan approval, as well as the land and shoreline lease and right-of-way approvals. The entire permitting process involves multiple public comment opportunities and requires more than 100 permit applications.

  At the end of June 2017, the State of Alaska, Department of Environmental Conservation issued the final air quality control construction permit to Donlin Gold. This important permit authorizes the installation and operation of all emission units associated with the project. On May 24, 2018 the Alaska Pollutant Discharge Elimination System (APDES) Wastewater discharge permit was issued and on June 5, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued the special permit for the natural gas pipeline. The APDES permit requires water discharged into Crooked Creek to meet drinking water standards. For example, the amount of arsenic in the discharge water will be less than what occurs naturally in Crooked Creek.

- **What is the timing for a construction decision on Donlin Gold?**
  Once all permits are approved, Donlin Gold will evaluate the next steps in terms of design and engineering and an estimated construction timeline of three to four years. The mine will be in operation for an estimated 27 years. In addition to updating the feasibility study based on the results of the optimization work, further engineering will be required to advance the project design from feasibility-level to construction ready. In addition to the market's perception, a decision to construct Donlin Gold will also be influenced by the reality that gold miners must replace existing mines where reserves and grades are declining. Time is on our side, as we still have work to do ahead of being able to make a construction decision on the project.

- **Will jobs be available for people from the Y-K region at Donlin Gold?**

People who are ready (experience working and/or received appropriate training and/or education), clean (no substance abuse – drugs and alcohol are not safe for a heavy-equipment working environment and will not be tolerated), willing and able will be considered for a job. Some of the jobs expected to be available include:

- Accountant
- Administrative Assistant
- Assay Lab Technician
- Barge Crew
- Blaster
- Camp Service Worker (cooks and cleaners)
- Community Relations/Shareholder Relations Coordinator
- Driller
- Electrician
- Environmental Engineer
- Facility Maintenance Worker
- Firefighter/Paramedic
- Geologist
- Health & Safety Coordinator
- Heavy Equipment Operator
- Human Resources Coordinator
- Information Technology Specialist
- Maintenance Planner/Scheduler
- Mechanics (Millwright, Heavy Equipment, Light Vehicle)
- Metallurgist
- Mill Operator
- Mine Operation, Supervisor, Manager, Superintendent
- Mining Engineer
- Physician Assistant
- Purchasing Agent
- Security Guard
- Surveyor
- Warehouse Technician Water Treatment Plant Operator
- Welder

For additional information on the types of jobs and potential career opportunities at Donlin Gold, please download our jobs brochure HERE. The types of jobs and number of employees needed at Donlin Gold will fluctuate between construction and operation. During construction, the majority of the work will be conducted through a contractor and during the 27-plus years of operation, Donlin Gold will be responsible for hiring its workforce, which is expected to be greater than 500 employees.

Equally important are the businesses in the Y-K region that would benefit from the economic development stemming from the Donlin Gold project. Through partnerships and third-party affiliations, the project would indirectly support many other businesses and sectors that supply mining operations with goods and services. This has the potential to generate work in the region well beyond the numbers listed above. This will include transportation businesses (barging, charter companies, roads, shipping service providers), food merchants, retail services, lodging/housing and hotels, restaurants and much more.

Donlin Gold's commitment to Alaska hire is undeniable. Our local hire track record was very high during the exploration phase of the project given the needs of the project at that time. During the construction and operation phases, the needs will differ, as per the types of jobs listed above, but local hire is a commitment Donlin Gold has made to Calista and TKC and it will remain a high priority for us. We are excited about the potential job opportunities Donlin Gold can bring to the State of Alaska for decades to come.

- **What will happen after the mine closes?**
  Once built, the Donlin Gold mine anticipates operating for at least 27 years – that is if no further resources are discovered on the property. Additional exploration could extend the mine life. Once closed, the structures would all be removed from the property and water would be pumped out of the tailings storage facility to the open pit. The waste rock facility would be regraded, covered with soil and revegetated. The pit would begin to fill over a long period of time, approximately 50 years. When filled, water would be treated to meet water quality standards prior to discharge. Workers from the mine would have skill sets required to move onto other opportunities in the region and throughout the State.

- **It is clear that jobs are needed in the region, but many are of the view that the impact on the river, fish and subsistence are far too great and it's not worth taking the risk. What is gold's purpose beyond jewelry?**
  Responsible development and subsistence can co-exist. Mitigating risks reduces the likelihood of error and being prepared to respond promptly should an emergency occur reduces any adverse impacts. The alternative to developing Donlin Gold is to have very little to no economic development and opportunity in the region with lack of employment and a source of income that is needed to buy the tools, materials, and fuel required to hunt, fish, gather and subsist.

  The world we live in today is extremely reliant on mining, minerals and metals to function. Many items we take for granted on a day-to-day basis require metals and minerals in their manufacture and function. Gold's physical, mechanical, thermal and electrical properties, as well as its malleability and non-tarnishing qualities make it widely utilized in practical applications such as medical, dental and scientific equipment, cables and wires, photography, water distillation, electronic devices (including phones and computers), jewelry and more.

  While it's true that mining activities are complex and can cause both environmental and social change no matter where they occur, the potential for adverse impacts is minimized when mines are managed in accordance with best practices, including abiding by stringent regulations which have

changed have been strengthened over the last two decades and increased company accountability for their mine operations. We are committed to responsible resource development to avoid environmental harm, provide safe and healthy workplaces and deliver economic stimulus throughout the Y-K region while honoring cultural traditions and lifestyles in a modern world.

KEY TOPICS:

1. PROJECT DETAILS

- **How big would the Donlin Gold mine be?**
  As per the second updated feasibility study, Donlin Gold has the potential to become one of the largest gold-producing mines in the world; slated to produce approximately 1,500,000 ounces of gold annually during the first five years of operation and approximately 1,100,000 ounces per year over its 27-year life. With approximately 34 million ounces of gold (504.8 million tonnes at an average grade of approximately 2.1 grams per tonne) in the proven and probable reserve categories, Donlin Gold is one of the largest and highest-grade gold projects in development today. At the end of the project's mine life, Donlin Gold's open pit would be about 1,550 acres, its tailings storage about 2,350 acres, and its waste rock storage about 2,300 acres.

- **The EIS states that the Donlin Gold project would have a total footprint of approximately 16,300 acres. What lands would be affected and for how long?**

  The Donlin Gold project has three main project components: the Mine Site, the Transportation Corridor, and the Pipeline.

  The Mine Site includes the pit, processing facility, Waste Rock Facility (WRF), Tailings Storage Facility (TSF), and power plant. Development of the open pit, the waste rock disposal area, and the TSF would permanently alter the landscape at the Mine Site. At the end of operations, other Mine Site facilities, such as the power plant, the process facilities, the camp, roads, and fresh water storage ponds, would be decommissioned and the land reclaimed.

  The Transportation Corridor includes improvements to the Knik Bethel Yard Dock, annual barging on the Kuskokwim River from Bethel to a new upriver port at Angyaruaq (Jungjuk), construction of a 30-mile access road and a 5,000-foot dedicated airstrip.
  The Pipeline includes a 316-mile, 14-inch, buried natural gas pipeline to support power generation at the Mine Site, to be built from Cook Inlet to the Mine Site. Most of the Pipeline would be installed underground, so the project would affect the lands only during the construction period, after which the affected areas would be reclaimed. The pipeline-related land disturbance total 14, 038 acres.

- **How long will it take to build Donlin Gold?**
  Construction is expected to take approximately 3-4 years due to the extensive infrastructure requirements, limited access, and variable weather conditions.

- **What components, facilities and infrastructure are needed to support the mine?**
  As currently envisioned, the Donlin Gold mine will require an expanded port in Bethel where cargo and fuel will be transferred from ocean barges to river barges, and an upriver port in Angyaruaq (Jungjuk) for offloading river barges and transferring cargo and fuel to the site over a 30-mile access road using trucks. Other infrastructure and mine facilities would include a 315-mile natural gas pipeline from Cook Inlet, power generation plant, process plant, wastewater treatment plant, as well as a new airstrip and camp. Donlin Gold will be a fly-in/fly-out project for staff and crew.

- **How long do you anticipate the mine will be operational?**
  Donlin Gold's mine life is estimated to be at least 27 years. The project has significant exploration potential as its current mineral endowment covers only three kilometers of an eight-kilometer-long mineralized corridor. Even after operations cease, site care and maintenance will continue.

- **What are the mine site features?**
  1. **Open pit mine:** where mining would occur to remove ore (rocks that contain gold) from the ground.
  2. **Waste rock facility:** to access the ore, ore with no gold content ("waste rock") would be removed from the open pit and stored in an engineered facility onsite.
  3. **Ore processing facility:** ore would be reduced in size to fine particles by crushing and grinding, then flotation would separate the gold-bearing sulfide minerals from non-mineralize rock. The floated material would be treated using pressure oxidation technology in autoclaves, and the gold would be recovered from the floated material in a carbon-in-leach (CIL) circuit. Gold doré bars would be produced at site, and then shipped to a custom refiner for further processing.
  4. **Tailings storage facility:** left over ground rock, water and chemicals from ore processing would be stored in a state-of-the-art, lined onsite facility.

- **What is Donlin Gold doing to protect the environment during construction, mining and closure?**
  Environmental planning and protection is a fundamental element of the Donlin Gold project. The EIS describes the proposed action and reasonable alternatives, evaluates the potential environmental impacts of the proposed action and alternatives, and considers potential mitigation measures. The federal agencies will use the EIS to inform the decisions on the permits Donlin Gold has applied for and is working with the agencies to establish the conditions under which those permits would be issued. The State of Alaska will issue numerous permits that will impose operational performance and monitoring requirements on Donlin Gold. Most

importantly, by taking the steps today to carefully design the project to prevent and mitigate environmental impact, we are reducing both near- and long-term risk during construction and operation, and after closure. Donlin Gold's extensive environmental evaluations and baseline data collection, combined with the owners' collective experience, are all key factors in being better prepared to plan, avoid, mitigate and respond should an event/incident occur. Moreover, the State of Alaska also has an experienced staff with a strong track record in regulating large mining projects.

The best available technologies will be utilized to meet or exceed all air and water quality standards with extensive environmental monitoring and reporting during all project phases. Best practices will also be carefully implemented for safe management of water, waste rock, tailings, fuels and chemicals and for control of dust. Adaptive management practices will use the results of monitoring to modify operating practices, develop mitigation measures, and take other appropriate action to protect the environment.

- **How will you ensure proper closure of the mine?**
  Financial assurance will be proposed by Donlin Gold and approved by the State prior to the commencement of construction. The State will then hold the financial assurance to ensure that there would always be sufficient funds in place to treat and reclaim the land to a chemically and physically stable condition following the operating period. The financial estimates on which the assurance is based are reviewed at least every five years to ensure that the funds set aside to pay for long-term care and maintenance remains sufficient. Once operations are completed, the structures would all be removed from the property and water would be pumped out of the tailings storage facility to the open pit. The waste rock would be regraded, covered with soil and revegetated. The pit would begin to fill with water over a long period of time; approximately 50 years. The managed water level in the pit will be 30 feet lower than the water level in Crooked Creek to prevent pit water from discharging to Crooked Creek. When the pit lake reaches the managed level, water from the pit will be pumped to a closure water treatment plant to maintain this water level. The water will first be treated to meet State water quality standards, and then will be discharged to Crooked Creek in a controlled manner during the summer. Monitoring will continue post-closure to ensure that all environmental standards are met.

2. PARENT COMPANIES

- **What is the role of the parent companies as it relates to Donlin Gold and its partnership with Calista and The Kuskokwim Corporation (TKC)?**
  More than twenty years have passed since Calista first entered into a mining lease for the sub-surface mineral rights at Donlin Gold that it selected under ANCSA. ANCSA's vision was for Alaska's Native Corporations to realize the opportunity for self-determination through economic development of the lands selected for their natural resources potential. In 1996, Calista leased the minerals to Placer Dome, which was acquired by Barrick in 2006. NOVAGOLD explored the Donlin Gold site under an option agreement with Placer Dome beginning in 2001. Within two

years, NOVAGOLD completed its commitment and substantially increased the resources at the Donlin Gold project. From 2003 to 2006, Placer Dome (then Barrick) continued drilling at Donlin Gold, defining the current mineral reserves and resources. Barrick and NOVAGOLD formed Donlin Gold LLC in December 2007. Barrick and NOVAGOLD each own 50% of Donlin Gold LLC and are responsible for jointly managing and funding Donlin Gold LLC.

Perhaps more important than the exploration success at Donlin Gold is the two-decade long commitment to transparent and mutually beneficial relationships with Calista and TKC as well as the broader stakeholders in the Yukon-Kuskokwim region that demonstrate the value of working collaboratively for the development and prosperity of the region. While it remains in the ground, the gold discovered at Donlin Gold has no value. Transforming that gold into a product that can be sold in the international market will generate economic opportunity for Calista and TKC, their shareholders, and all Alaska Native Regional and Village corporations through the 7i and 7j provision sharing of ANCSA.

- **How can Donlin Gold reduce the risks that are inherent to mining, given the track record and incidents that have occurred at both parent company operations?**
  Donlin Gold and its parent companies are dedicated to environmental stewardship with a commitment to the application of proven management practices to prevent and mitigate any potential incident that could occur. Risks are inherent in any resource development activity. Each event is distinct and not comparable to another. Donlin Gold's extensive environmental evaluations and baseline data collection, combined with our collective experience are all key factors in being better prepared to plan, mitigate and respond should an event/incident occur. Moreover, the State of Alaska also has an experienced staff with a strong track record in overseeing large mining projects. Mining companies in Alaska, and the U.S. overall, have a very strong track record in operating modern mining operations without major incidents that have harmed the environment and human health.

3. PERMITTING

- **Where are you in the permitting of Donlin Gold?**
  In April 2018, the Corps filed the notice of availability for the EIS in the Federal Register. Based on the final EIS, the Corps writes a Record of Decision (ROD), which consists of a series of findings documenting the process it used to determine whether to issue a "wetlands permit." The State must also certify that the activities described in the permit application comply with State water quality standards. The Corps and Bureau of Land Management (BLM) will issue a single ROD in the second half of 2018.
  The ROD itself for a project like Donlin Gold is typically aninvolved document. The ROD will describe both the legal and technical basis for the Corps' Clean Water Act Sections 404 and 10 permitting decision and BLM's decision on the right-of-way application for the sections of the pipeline on BLM lands.
  The other permits and approvals that authorize project construction should be issued shortly after the ROD. Between publishing the final EIS and the issuance of the ROD, the Corps must specifically complete several activities. This includes coordinating with the state to ensure that its decision complies with Alaska's water quality standards. The Corps will also document its

compliance with Section 404(b)(1) of the Clean Water Act; the detailed evaluation showing why the permitted project represents the least environmentally damaging practicable alternative compared to other project options reviewed. Other consultations required for the ROD have already been completed, including compliance with the National Historic Preservation Act, Endangered Species Act, and Magnuson-Stevens Fishery Conservation and Management Act which protects essential fish habitat.
Significant progress has been made on the permitting side, including the issuance of the state air quality and Alaska Pollutant Discharge Elimination System (APDES) wastewater discharge permits and the pipeline and hazardous materials safety administration (PHMSA) special permit.

Once all the permits are issued to Donlin Gold, the project will have a detailed set of criteria and conditions that must be met and maintained, including ongoing monitoring, to ensure the project is environmentally safe. The major permit decisions and authorizations include:

- Water Discharge Permit
- Integrated Waste Management Plan Permit
- Reclamation Plan and Closure Plan/Financial Assurance Approvals
- Habitat permits for mine and transportation network
- Corps of Engineers Record of Decision
- Corps of Engineers DA Permit
- BLM Record of Decision
- BLM Offer of Right of Way for Pipeline and Fiber Optic
- State Pipeline Coordinators Office Pipeline Right of Way
- DNR Land Authorizations
- State Fiber Optic Authorization
- Water Rights

- **Apart from the ongoing permitting process, what other pre-development work is outstanding?**
The permitting process was initiated based on the description of Donlin Gold contained in the Second Updated Feasibility Study dated November 18, 2011 and amended and filed on January 20, 2012. While supporting permitting activities, the parent companies have also been conducting internal studies to identify optimized development scenarios that would maximize the project's value and reduce initial capital outlay. To support these efforts, an $8 million drill program to gather additional geochemical and structural data in targeted portions of the deposit was conducted from July through September 2017. This program helped us gather more information to determine the next steps in advancing Donlin Gold. Any enhancements to the execution plan would be reflected in an updated feasibility study that will also incorporate updated project costs.

  Additional engineering work is also required to advance the project design from feasibility-level to construction-ready. Some field work, for example drilling to further define geotechnical conditions in the area of the proposed tailings dam embankment, must be undertaken to support engineering as well as final permitting by the State of Alaska's Dam Safety Program.

Additional field work along the natural gas pipeline right-of-way is also required to finalize preparation work on the pipeline, the borrow sites and river crossings. As engineering specifications are finalized, orders will be placed for mine equipment, plant components (e.g., mills, crushers, motors, and pumps), pipe, and other materials. All of these actions will be identified in a well-thought-out project execution plan that the project team will use to manage the project scope and to reduce the risks inherent in project execution.

4. DRILL PROGRAM

- **What is the purpose of the 2017 $8-million drill program?**
  Since the Donlin Gold feasibility study was filed in late 2011 and the permitting process commenced in 2012, as part of the normal course for project development, the parent companies' technical experts have been conducting optimization work to further enhance the project. As part of the ongoing optimization work, more selective mining has been identified as an opportunity for improvement. A targeted drill program in 2017 gathered additional geochemical and structural data in targeted portions of the deposit. The program gives us a better understanding of the exact location and grade of the gold-bearing ore deposit, so that we can test models developed in prior research.

- **How many jobs will be created? Will you be hiring locally?**
  We expect the program will last several months maybe more and require between 25 and 30 workers. As is well known, Donlin Gold has worked well with its Native Corporation partners to maximize the employment of qualified shareholders from the region and every effort will be made to continue to hire locally. Donlin Gold is equally committed to safe and environmentally sound work.

5. BARGING

- **How will fuel and cargo be barged?**
  Fuel and cargo will be moved using a single tug pushing four combined barges; referred to as a barge-tow. When strung together, the four barges will be 330 feet long and 88 feet wide. By way of comparison, the AK Provider, a barge that was regularly used on the Kuskokwim River, is 250 feet long and 70 feet wide. Donlin Gold will use two barge-tows to transport the cargo, and two barge-tows to transport the diesel from Bethel, 177 miles up the Kuskokwim River, to the Jungjuk port site during the summer shipping season. The barges and tugs will be designed for shallow draft and built for use on the Kuskokwim River. In addition, the fuel barges will have a double hull design to provide protection against spills in the unlikely event that the exterior hull of a barge is damaged. Each fuel barge also will have on-board spill containment equipment and the capacity to transfer fuel from a damaged compartment to other storage. Barge and port operators will be trained in spill prevention and response.

- **How much barge traffic will there be on the river?**
  Beginning in late May or early June, the shipping season would continue until all the fuel and cargo has been moved. How long this takes will depend on the river water levels and the amount of cargo/fuel to be moved. The average round trip time for a tow is 81 hours, and loading/unloading is expected to take 19 hours on average. This means that one tow will always be at the dock being loaded or unloaded, so at any given time there will be a maximum of three tows traveling on the river between Bethel and Jungjuk.

- **How long is the barging season?**
  A study prepared for Donlin Gold determined that during average flow years the barging could be completed in 60 days. The same study also evaluated barging during the four lowest flow years over a 59-year period. During three of those years, the barging could be completed if shipping began on May 15. In the fourth year, the barging could be completed by modestly reducing the under keel clearance for the barges.

- **What will be done to prevent barges from grounding?**
  Each year, the navigation channel will be carefully surveyed and clearly marked. During the shipping season, barge tracking and communication systems will be used to monitor vessel locations. Monitoring systems will also be put in place to forecast water depth. Barges will only be loaded to the draft available on the river at the time of the trip. Real-time tracking of river flows will allow precise determinations of water depths at key location on the river. These data will then be used, as needed, to ensure the barge loads can safely pass up and down the river.

- **What is the process if a barge gets stuck?**
  1. Separate and secure the barges still afloat.
  2. Evaluate river conditions and see if rising water will float the stranded barge.
  3. If not, and the conditions are suitable, attempt to pull the stranded barge free.
  4. If this is not an option, bring in an empty barge and transfer enough cargo to refloat the barge.

- **What has Donlin Gold done to minimize impacts to subsistence users on the river?**
  Through the culmination of 20 years of extensive exploration, development and environmental baseline studies, Donlin Gold designed a project that is compatible with residents' subsistence way of life while providing opportunities to preserve it. Keeping local residents engaged and informed has been a fundamental value of Donlin Gold since the start. Consistent community outreach and involvement has helped shape the project and will continue to ensure a balanced development plan that brings tangible, long-lasting benefits to the region while upholding a commitment to responsible development. For instance, following consultation with communities throughout the region, Donlin Gold incorporated a buried natural gas pipeline into the project design. This reduced the annual diesel demand from 120 million to 40 million gallons, which, in turn, reduced the number of barge-tow trips by 116. Moreover, in

collaboration with representatives from villages up and down the river, we have recently laid out a plan for how communication between river users and the operators of the barges would work. The communication plan would keep communities informed of the schedule and status of barging activity, while providing the ability to log and quickly resolve conflicts should they arise. Barging and subsistence have co-existed for generations on the Kuskokwim River and we are confident that with a thorough plan in place, the two can continue to exist.

6. TAILINGS MANAGEMENT & WATER RESOURCE PROTECTION

- **What do you currently have envisioned for Donlin Gold's tailings management system?**
  Tailings from the ore processing facility will be treated to reduce the cyanide levels and stabilize mercury, and would then be transported in a pipeline to the Tailings Storage Facility (TSF) built in the Anaconda Creek valley. The TSF will be constructed by building a tailings dam across the lower part of the valley. The proposed tailings dam would be a downstream-constructed rock-fill dam, anchored to bedrock. Downstream-constructed dams are considered the most stable design for tailings dams because they rely completely on competent rock for stability. They are also the most suitable for retaining large volumes of water. In fact, downstream-constructed dams are commonly used specifically as water retention structures. Donlin Gold has a sound water balance with measures in place to minimize natural inflows into the impoundment. An impermeable synthetic liner will be placed in the bottom of the TSF to prevent releases from the tailings to the subsurface. This is a best practice not required by regulation. Drains constructed under the liner to collect any water that passes under the liner and pump it to a treatment plant or back to the processing facility. Moreover, the proposed plan for a dry closure further minimizes the long-term risks. Donlin Gold continues to look at best practices in all aspects of the proposed project.

- **Why doesn't Donlin Gold use dry stack tailings as recommended by the Mt. Polley independent experts and as is done at the Greens Creek Mine?**

  Dry stack tailings involve the use of large filters to remove most of the water from the tailings prior to placement. The dried tailings are then hauled to an engineered facility and placed much like waste rock from the open pit mine. Dry stack tailings are being used at certain mines because of the characteristics of those mine locations. For example, in arid climates the objective of conserving water makes dry stack tailings advantageous because the process removes water from the tailings which can be reused in the mineral processing circuit. At other sites, such as Greens Creek which is an underground mine, a significant portion of its tailings are filtered and used to fill the areas mined. The remaining filtered tailings are placed in a dry stack. Site-specific considerations related to water management and geotechnical characteristics of the ground are factors in why Greens Creek uses dry stack tailings.

At Donlin Gold, the factors that make dry stack tailings less feasible than traditional tailings include:

- The planned processing rate of 59,000 tons per day: There are no mining operations that have used dry stack tailings at this operating rate. Greens Creek operates at about 2,500 tons per day and the largest dry stack operation in the world operates at 20,000 tons per day or about one-third of Donlin Gold's processing rate. Because there is no existing use of this process at Donlin Gold's anticipated processing rate, use of dry stack tailings would substantially increase operational risk for the project.
- The wet and cold climate: The cold temperatures at Donlin Gold make the challenge of moving filtered tailings, which are still moist, susceptible to material freezing to the truck beds. The placement of the filtered tailings is also complicated by snow which can introduce moisture into the stacked tailings and wind which can cause dust control challenges. These factors are not a risk for "wet tailings" delivered to the tailings impoundment by pipeline.
- Overall long-term reliability: Changes in ore mineralogy and grind size over the mine operating life could require changes to filtration. Dry stacking provides lower operational flexibility at the Donlin Gold project operating rate.
- Would not reduce impacts: Due to the Clean Water Act prohibition against discharging process water, other than net precipitation, during mine operations all the water removed from the tailings would need to be stored in a water dam at the project site. As a result, the amount of land affected by project development would be the same as currently proposed. At the end of operations, the water in the storage reservoir would be pumped to the pit, just as currently planned. The dry closure plan for the Donlin Gold TSF significantly reduces the risk of a tailings dam failure or release after closure.

- **What will Donlin Gold do to minimize impacts from the tailings?**
  Tailings will be treated to reduce cyanide and mercury levels. An impermeable synthetic liner will be placed on the bottom of the TSF and on the upstream face of the TSF dam to minimize seepage into groundwater. Any seepage that does occur will be collected in drains constructed under the liner and pumped back to the impoundment, used in the process plant, or treated to meet water quality standards and discharged. Additionally, water will be carefully managed. Clean water will be diverted around the TSF to avoid contact with tailings. Water from the TSF pond will be reused in the ore processing facility. Some TSF water will also be treated in a water treatment plant to meet water quality standards and then discharged in a controlled manner to Crooked Creek.

- **How big is the size of the TSF and tailings dam?**
  The TSF would cover about 2,350 acres, and will be about 1 mile wide and 1.75 miles long. The tailings dam would be 471 feet high and have a total capacity of approximately 335,000 acre-feet of mill tailings, decant water, and storm water.

- **How stable will the TSF and tailings dam be? What will happen if there is an earthquake in the area?**
  While Alaska generally is a seismically active area, the Donlin Gold project is located in a part of Alaska that is not very prone to earthquakes. Click for map.

- Nonetheless, the dam is designed to withstand earthquakes, meeting or exceeding Alaska Dam Safety Program and federal agency safety factors and guidelines. The design is based on the expected impacts of the maximum potential earthquake in the region. This information was determined by documenting all of the faults in the area and the actual occurrence of historical earthquakes in Alaska. We also looked at how similar dams have been affected by the full range of potential earthquake conditions. The design for the Donlin Gold tailings dam has a very high degree of safety that a large earthquake would not cause downstream releases of tailings and water. The dam footprint will be excavated to attach directly to bedrock and the dam itself will be constructed with rockfill. Downstream dams are considered the most stable and are considered the most suitable in seismically active areas, as well as the most suitable for retaining large volumes of water. In fact, there has only been one minor incident with this type of dam since 1900. The dam will be regularly inspected and monitored for safety and stability. Independent, third-party engineering reviews will also be conducted regularly by the State of Alaska.

- **What is the regulatory process in Alaska for tailings management?**
  The Donlin Gold TSF dam will require certifications from Alaska's Dam Safety Program before the dam is constructed and operated. Alaska's Dam Safety Program is administered by the Alaska Department of Natural Resources (ADNR). The mission of this program is to protect life and property in Alaska through the effective collection, evaluation, understanding and sharing of the information necessary to identify, estimate and mitigate the risks created by dams. Through a stringent regulatory framework, the program establishes a consistent basis for communication between ADNR, dam owners and operators, and all other entities involved in the planning, design, construction, operation, and regulation of dams in the State. The State Engineer who is the lead for the Dam Safety Program has extensive experience in permitting and regulating the large mining tailings impoundments at Alaska's five large mines: Red Dog, Pogo, Greens Creek, Kensington, and Fort Knox. The Dam Safety approval requires ongoing monitoring and reporting to the State of key stability parameters. Monitoring is also expected to continue well into post-closure. As noted above, the State Engineer routinely brings in independent expert geotechnical reviewers to assist in performance of the program's regulatory oversight role. Separate from the Alaska program, Donlin Gold established an expert dam safety review board that has been and will continue to be engaged to review every step of the TSF design and construction process.

- **How will Donlin Gold protect our precious water resource?**

To fully understand the flow of local streams as well as rain and snowfall patterns, extensive baseline studies have been conducted at the project site on groundwater, surface water hydrology, and site meteorology. Based on historical precipitation records, we have estimated and planned for the full range of stream flow conditions that could be observed during the mine life. This includes multiple years of very dry and wet conditions. The facility designs have been conservatively engineered to account for all of these conditions. We also looked at a case with 24 percent additional participation to account for the predictions of potential climate change. Best practices will be used during construction, operation and closure to protect surface water quality, such as:

- Diversion of water around construction and operating areas
- Minimizing erosion of exposed areas by land cover and energy dissipation
- Collection of water that comes into contact with mined materials to prevent contact waters leaving mine site without appropriate treatment
- Treatment of mine site waters that cannot be reused in a state-of-the-art water treatment plant to meet State water quality standards for protection of aquatic life and human health
- Storage of hazardous material within containment areas

Throughout the project's mine life, Donlin Gold will monitor treated water discharges, groundwater, as well as surface water and fish in Crooked Creek. Post-closure, water treatment and monitoring will be conducted. The financial assurance takes this into account and will provide the necessary financial resources to ensure continued monitoring. By undertaking dry closure of the TSF, we are reducing the need to manage water from this source over the long-term.

7. SPILLS, SPILL PREVENTION AND EMERGENCY RESPONSE

- **What will you do to prevent a spill? Does Donlin Gold have an emergency response plan?**
  The most important action to prevent a spill is assessing the risk involved in an activity or operation and then working to reduce that risk. Spill risks will be reduced by means of engineering controls; for example, the use of double-hull barges, and careful marking of the navigation channel; and using specialized containers that maximizes structural integrity, just to mention a few. Other controls will include task specific procedures, employee training, equipment inspections etc.
  While we aim for no spills, we are required by federal and state regulations, to be prepared to respond to a spill and other potential emergencies. This is achieved through the preparation of detailed contingency and emergency plans; personnel training; and making necessary supplies and equipment available:
  - Donlin Gold's Contingency and Emergency plans will be detailed, and will meet or exceed federal and state requirements. The plans will include best management practices, and will be periodically reviewed and updated to meet the needs of the project.

- Personnel will be trained to recognize hazards, and how to respond to an incident in accordance with pre-established plans. Regular training and practice drills according to each employee's role within the spill and emergency response organization will maintain team readiness to respond, if required.
- Spill response supplies, including safety supplies, will be available at or near locations where there is a greater risk of a spill. For example, at fuel transfer locations such as the Bethel Port or the Jungjuk Port, the fuel barges will be equipped with equipment to transfer fuel to on-board storage or to other vessels.

The Contingency and Emergency response plans have not yet been prepared for the project pending further project design development, but these will be prepared and approved prior to the start of operations. Donlin Gold is a member of Chadux; an oil spill removal organization that is already operating in the region.

- **Will training take place to help us better respond to emergencies should one occur in proximity to our village?**

  Donlin Gold will work with employees, contractors and local community authorities to ensure that appropriate emergency response capacity exists to safely address potential emergency situations. Safe handling, transportation, storage and use procedures designed to protect human health and the environment will be established by the company for all hazardous materials utilized. These procedures will incorporate requirements for training of employees and contractors about the specific hazards associated with the materials utilized and how to safely conduct operations and emergency response. Training exercises will also be conducted regularly in which emergency response teams are expected to demonstrate their ability to properly respond to a simulated incident. Training will include, but not be limited to incident command system and communication protocols, industrial firefighting, hazardous material response, spill response, emergency medical care for injuries and accidents, and wildfire fighting.

  Donlin Gold is committed to support annual emergency response training in the TKC villages which are closest to the project. Donlin will collaborate with these villages and other local authorities to ensure that response to potential emergencies can be effectively and safely coordinated and, where required, joint training exercises will be undertaken.

- **How can you say that a major disaster or incident won't occur here given the mining industry's track record at Mt. Polley and the tailings dam failure in Brazil?**

  Donlin Gold and its parent companies are dedicated to being good environmental stewards with a commitment to applying proven best practices to prevent and/or mitigate any incident that could potentially occur. Risks are inherent in any resource development activity. Each event is distinct and not comparable to another. Donlin Gold's extensive environmental evaluations and baseline data collection, combined with our collective experience and that of third party expertise, are all key factors in being better prepared to plan, mitigate and respond should an event or incident occur. Moreover, the State of Alaska also has an experienced staff with a strong track record in overseeing large mining projects. Mines in Alaska, and the U.S. overall, have a very strong track record in operating modern mining operations without major incidents that pose risks to the environment and human health. Please refer to *Section 6 – Tailings*

Management and Water Resource Protection for more information how we plan to mitigate dam failure risks.

- **How will mercury be handled, stored and transported?**
  Mercury waste will be handled according to strict, detailed procedures at each stage in the process. Onsite it will always be within secondary containment – the long-term storage will be in a covered, dedicated area with secure access. Offsite transport of mercury will be in U.S. Department of Transportation (USDOT) approved carbon or stainless steel containers specifically designed for mercury that will be able to withstand the stresses encountered during handling and transportation. Secondary containment also would be provided during transport. All drums will be placed in sealed conexes for truck and barge transport.

  All mercury wastes will be carefully tracked through each stage of generation, storage, and transport. The mercury management plan has been developed based on Barrick's experience dealing with mercury in Nevada and the Dominican Republic.

- **How will Donlin Gold reduce possible mercury air emissions?**
  At the Donlin Gold mine, mercury from the milling process would be captured at multiple points. Donlin Gold plans to install and operate state-of-the-art mercury emission controls, and any captured mercury would be stored onsite in a covered, dedicated area with secondary containment and secure access, or shipped off-site to a federally regulated facility. The ore processing facility is subject to emission limitations in its Clean Air Act permit. The mercury-capture processes Donlin Gold proposes to use are 99 percent efficient.

- **How will Donlin make sure that mercury will not impact the environment or human health?**
  Donlin Gold recently completed a human health risk assessment for mercury that shows no risk from mercury for residents and subsistence users in the project area.

  Donlin has a four-pronged approach for managing mercury:
  - Use of best available technology: We plan to use the best available technologies to reduce the amount of mercury released to the environment; including air emission control equipment, advanced water treatment, and covers at closure. Conservative studies predict that there could be slightly increased levels of mercury in the environment during mining operations. However, Donlin Gold has done detailed analyses to show that these levels will be low and they are not projected to cause adverse impacts to human health or wildlife. These analyses will be fully described in the final EIS. Nevertheless, we will remain aware of new management practices and technologies to determine if there are feasible methods to further reduce mercury emissions.

  - Compliance with permits and environmental regulations: Permits required for the project are designed to ensure that water discharges and air emissions that do occur will not cause

impacts to human health or the environment. We are committed to complying with permits and will regularly inspect mercury control equipment, reviewing mercury containment procedures and conducting monitoring to demonstrate compliance with permit requirements. We are committed to safely containing, storing, and transporting the mercury residuals (liquid and carbon from air emission control equipment) in compliance with state and federal laws.

- Monitoring: We are developing an environmental monitoring program that may include regular sampling of air, soil, water, and fish within and downstream of the mine site. The environmental monitoring program will include all permit mandated requirements.

- Communication: Donlin Gold will continue to communicate with residents in the region to provide information and answer questions related to mercury and other issues and to provide results of mercury management and monitoring programs.

- **How will cyanide be handled, stored and transported?**
  Donlin Gold will follow guidelines established by the International Cyanide Management Code (ICMC) on how to transport, store, and use cyanide, as well as manage waste streams containing cyanide. Dry sodium-cyanide briquettes will be shipped to the mine site in sealed steel ISO (International Standard Organization) tanks. The ISO-containers that we are proposing are state-of-the-art in the mining industry and their track record for preventing spills is very strong. The cyanide will be dissolved into solution at very low concentrations for use in gold extraction. Once the gold is removed, the cyanide solution would go through a detoxification process to reduce its concentration. It would then be discharged into the lined tailings storage facility, where it would be safely contained under natural condition. Ft. Knox has found that it reduces by 90 percent in the tailings pond during summer.

  Under ICMC guidelines, our cyanide management will be subject to independent expert audit on a periodic basis with findings available for public review on ICMC's website. Continued ICMC certification will be contingent on addressing any issues identified by the audits.

8. PIPELINE

- **What will construction of the pipeline consist of and how long will it take?**
  Construction of the pipeline is expected to take approximately three years and would be conducted in two "spreads", meaning construction would begin in two different areas. The pipeline would require a 150-foot right-of-way (ROW) during construction, reduced to a 50-foot ROW during operations. To support construction, temporary airstrips, camps, material sites and pipeline storage yards would be used. An existing airstrip near Farewell may be upgraded. The pipeline construction workforce is expected to peak at approximately 650 workers. All pipeline construction infrastructure, with the possible exception of the Farewell airstrip upgrade, would be fully reclaimed once the pipeline is complete, with a cleanup crew immediately following a

trench backfill crew to perform reclamation and install erosion control. No new roads will be retained.

- **Will the pipeline construction or its operation impact wildlife migration patterns or cause other environmental impacts?**
  The proposed 315-mile long pipeline would be buried, except at two active fault crossings each approximately 1,300 feet long. Buried pipelines reduce visual impacts and are not barriers to wildlife migration. Reclamation immediately following the completion of construction will greatly limit the duration of any impacts. Invasive species management procedures will be used to reduce the risk of introducing non-native species during the construction process. Construction would be timed to protect wetlands and to minimize impacts on subsistence hunting and fishing, as well as recreational activities.

- **Will the villages get access to fuel from the pipeline?**
  Under Alaska law, the pipeline will be an "open access" pipeline, which means that other users may apply for access to unused natural gas delivery capacity. Donlin Gold expects to use approximately 50% of the design capacity of the pipeline. A third party may apply to the Alaska Regulatory Commission for authorization to use excess capacity in the pipeline. Donlin Gold does not intend to operate the pipeline other than for its own needs. Donlin Gold has taken initial steps to determine if there is a third party that would be interested in building and operating the pipeline for Donlin Gold. Donlin Gold will make final decisions on how to proceed with the pipeline when it makes a decision to construct the project.

- **Is the alternative route being studied by the Corps a better option (environmental and economic)?**
  Donlin Gold initially proposed to route the pipeline through the Dalzell Gorge. After consultation with the Iditarod Trail Committee, the Doyon Corporation, the Knik Tribe, and other stakeholders in the area, Donlin Gold revised its proposal to avoid the Dalzell Gorge. However, the Corps studied the Dalzell Gorge route as an alternative in the DEIS. This alternative route is being considered because it is feasible and allows comparison of environmental impacts to the original pipeline alternative. Approximately 34 miles of this alternative route would be located in the immediate vicinity of, or cross, the Iditarod Trail. As a reminder, the pipeline would be buried underground.

  In addition, based on comments on the Draft EIS from agencies and the public expressing concerns about pipeline crossings of the Iditarod National Historic Trail (INHT) in the Happy Valley area, Donlin Gold investigated and proposed an alternative route option that realigns a segment of the natural gas pipeline away from the INHT. The MP 84.8 to 110 North Option alignment would cross to the north of the INHT before the Happy River crossing and remain on the north side of the Happy River Valley before rejoining the proposed alignment near MP-110 where it enters the Three Mile Valley. The North Alignment would be 24.7 miles long, with one

crossing of the INHT and only 0.1 mile physically located in the INHT ROW. The average separation distance from the INHT would be 1 mile.

- **How can you minimize or mitigate impacts with a buried pipeline (i.e., leaks, etc.)? How can you routinely monitor a buried pipeline?**
  Buried pipelines are continuously monitored remotely from control rooms where technicians are able to understand and respond to what's happening underground. Sophisticated sensors located along the pipeline route, send information back to the control room. If the system detects something abnormal, technicians are immediately notified and can manage flow and shut down the pipeline if necessary. Best practice protections to mitigate impacts include regular monitoring, inspection and maintenance via helicopter access, cathodic protection and state-of-the-art leak detection. Regular inspections include the use of "smart pigs" which are machines that are placed into and moved through the pipeline and have sensors that can detect corrosion, pipe wall deformation, and other indications of abnormal conditions that require attention. For Donlin Gold's pipeline, check valves would be located every 20+ miles. Among the advantages of a natural gas pipeline relative to a diesel or petroleum product pipeline are that it operates at ambient temperature (the gas does not have to be kept warm to flow) and in the very unlikely event of a rupture, natural gas rapidly dissipates into the air unlike petroleum products which remain in soil and water until cleaned up. As a result of these differences, a natural gas pipeline requires fewer disturbances to the land because permanent access and spill response materials are not required to be located along the pipeline after it is installed.

- **Where will the natural gas be sourced from? Who would operate the pipeline?**
  Natural gas would be transported approximately 315 miles from an existing gas pipeline tie-in near Beluga, Alaska in the Cook Inlet. The natural gas would be purchased on the open market just as local natural gas consumers in the Anchorage area do currently. We are also evaluating the potential in-State resources in Cook Inlet that look promising. Donlin Gold's parent companies are evaluating using third party owner-operators to build and operate the pipeline. A Request for Expression of Interest (RFEOI) for third-party participation in the natural gas pipeline was issued to potential candidates in 2015. As anticipated, responses came from experienced and responsible bidders.

- **How would the gas pipeline be reclaimed after the mine closure?**
  The State of Alaska and BLM have not determined the future of the pipeline after closure. If decommissioning is required, pipes would be purged and cleaned. All above-ground facilities would be removed, including the compressor station, piping, equipment, fencing, river crossing structures and tanks. The underground pipeline would be capped and left in-place. Cleared land would be contoured as necessary to minimize erosion and revegetated.

9. BETHEL PORT

- **Why did you select the current location for the Bethel Port and dock?**
  Donlin Gold issued a request for proposal (RFP) for providing the logistics for the project from Seattle/Vancouver to the upriver port at Jungjuk via Bethel and a build-own-operate port facility in Bethel. The successful bidder which has vast experience in remote Alaska, provided a proposed port location in an area already used for industrial activity and cargo transportation. Expanding the currently used location reduces the impacts to undeveloped land around Bethel.

- **What is entailed in the dock construction?**
  The dock design was modified in response to public comments and provides for a minimum distance of 400 feet from the dock face to the -15 foot depth contour on the other side of the river, allowing more room to navigate through the channel, even when barges are berthed at the dock (300 feet). Construction of the dock will provide for more navigation space than the current unloading practice of nosing the barge into the beach.

- **Will it impact or change the path of the river channel?**
  No, the existing channel is 25 feet narrower at the existing Petro Dock, located upstream, than the navigation channel that is being proposed at the Bethel Yard Dock after construction.

- **Will the location of the dock cause land erosion for villages downriver?**
  The dock is not anticipated to significantly affect the natural erosion and sedimentation processes.

10. EMPLOYMENT OPPORTUNITIES

- **What are the job opportunities for locals from the Y-K region?**
  We are excited about the potential job opportunities Donlin Gold can bring to the State of Alaska for many years to come. The Donlin Gold project would involve three main work sites: the mine and two port locations in Bethel and Jungjuk. The types of positions are many and vary widely, from accountants and administrative assistants, to electricians, drillers, engineers, geologists, surveyors, and equipment operators just to name a few. Some jobs would be seasonal, including barging positions, while others could consist of rotational work schedules.

  The types of jobs and number of employees needed at Donlin Gold will fluctuate between construction and operation. During construction, the majority of the work will be conducted through a contractor. During the 27-plus years of operation, Donlin Gold will be responsible for hiring its workforce. Equally important are the businesses in the YK region that would benefit from the economic development stemming from the Donlin Gold project. Through partnerships and third

party affiliations, the project would also indirectly support many other businesses and sectors that supply mining operations with goods and services.

Donlin Gold has signed a contractual commitment with Calista and TKC to give hiring preference to their shareholders. The local hire record during exploration exceeded 90 percent at times at the Donlin Gold camp. Donlin Gold has developed a Jobs Book that describes the different job opportunities available at mines like Donlin Gold, and the minimum requirements to qualify for each position. Donlin Gold has also established a job bank where people interested in being considered for a position with Donlin Gold can register. The Jobs Book is available HERE.

- **When will jobs become available at Donlin Gold?**
  A construction decision for Donlin Gold hinges on obtaining our required permits and the right market conditions.

- **What skill set will be needed to obtain jobs at Donlin Gold?**
  Donlin Gold would give preference to people who have a high school diploma or GED, have completed vocational training, university courses, or post-secondary education and/or have previous work experience. Some positions require several years of education, training and experience, while some entry level positions might just need certifications that only take a few weeks to receive. By completing the job requirements before a potential position is opened, you will have a better chance of being hired.

  In general, mining companies look for people who have: a good work ethic, a positive attitude, and a commitment to work safely. Employees must be willing to travel to remote sites, and be willing to continuously learn and implement new skills.

  Donlin Gold has developed a Jobs Book that describes the different job opportunities available at mines like Donlin Gold, and the minimum requirements to qualify for each position. Donlin Gold has also established a job bank where people interested in being considered for a position with Donlin Gold can register. The Jobs Book is available HERE.

- **How do we prepare for future job opportunities?**
  Donlin Gold is currently collecting information in the Talent Bank in an effort to better understand the necessary training and education required to prepare a future workforce and maximize local hire. Calista and TKC are also currently offering scholarships, training, internships and job opportunities partially funded by Donlin Gold to help prepare the future local workforce.

  Some jobs at Donlin Gold would require a college degree, while most would require at least a high school diploma or General Education Diploma (GED), along with appropriate training or job experience. Take a look at the Donlin Gold Jobs Book, available HERE, to see what types of positions appeal to you and what you can do today to prepare for these future opportunities.

11. TAXES, ROYALTIES, OTHER FINANCIAL PAYMENTS

- **Will Donlin Gold pay a royalty to the State of Alaska?**

  No, the Donlin Gold project is located on private lands owned by the Calista Corporation (minerals and some surface) and The Kuskokwim Corporation (surface). Royalties are paid to the owner of the minerals, in this case Calista. However, Donlin Gold will pay the Alaska Mining License Tax (AMLT) and state corporate income taxes to the State of Alaska.

- **What arrangements has Donlin Gold made with Calista and TKC?**

  Donlin Gold and Calista agreed to a Restated Exploration and Lode Mining Lease (Mining Lease) that initially was effective as of May 1, 1995, but was updated in February 11, 2011. The Mining Lease grants Donlin Gold the right to explore and mine the mineral properties selected by Calista as part compensation for the extinguishment of Alaska Native land rights under the Alaska Native Claims Settlement Act (ANCSA). While the Mining Agreement makes the specifics of the agreement confidential, in general the Mining Lease obligates Donlin Gold to:

  - Make annual advance royalty payments to Calista
  - Pay production royalties to Calista once production begins (note that the advance royalties are recoverable against the production royalties, but in no year will Calista receive less than the minimum royalty for that year)
  - Conduct operations in compliance will all laws using sound mining and engineering practices
  - Reclaim the property upon the completion of mining
  - Provide a bidder's preference to Calista businesses
  - Hire Calista shareholders for positions for which they are suitably qualified or experienced
  - Provide scholarships for Calista students
  - Form an Advisory Committee along with TKC to advise and consult on Donlin Gold's exploration and developments plans and operations

  Donlin Gold and TKC agreed to a Revised and Restated Surface Use Agreement (SUA) on June 6, 2014. While the SUA also makes the specifics of the agreement confidential, in general the SUA obligates Donlin Gold to:

  - Make annual surface use payments to TKC
  - Make certain milestone payments to TKC
  - Make certain production payments to TKC
  - Make annual minimum advance payments to TKC (note that the minimum advance payments are recoverable against certain of the production payments, but in no year will TKC receive less than the minimum payment for that year)
  - Conduct operations in compliance will all laws using sound mining and engineering practices
  - Reclaim the property upon the completion of mining

- Provide a bidder's preference to TKC businesses
- Hire TKC shareholders for positions for which they are suitably qualified or experienced
- Provide scholarships for TKC students
- Consult with TKC on uses of the surface, including subsistence uses
- Allow TKC access to the property for inspection
- Form an Advisory Committee along with Calista to advise and consult on Donlin Gold's exploration and developments plans and operations