

Barbara Schuhmann

Please see my attached letter 1.

Department of Natural Resources  
550 W. 7<sup>th</sup> Avenue, Suite 1430  
Anchorage, AK 99501-3577  
907/269-8732

Department of Environmental Conservation  
610 University Avenue  
Fairbanks, AK 99709  
907/451-2136

Re: Objection to Approval of Permit Applications  
Request for Public Hearing  
Request for Corrected Public Notice and New Public Comment Period  
**Reclamation Plan F20232626RPA**  
**Integrated Waste Management Permit 2023DB0001 for Manh Choh Project**

Dear Sirs:

I object to any approval of the proposed Manh Choh Reclamation Plan or the Manh Choh waste management plan. Both requests must be denied. The Departments of Natural Resources (DNR) and Department of Environmental Conservation (DEC) have made material misstatements of fact on their websites and notices to the public with regard to these two proposals. The public notice needs to be corrected and a new notice period for public comment needs to be granted. I believe a public hearing is necessary and I ask that DEC and DNR provide public hearings on the entire Manh Choh mining operation before any state permits are granted for the Manh Choh mining operation, including the extraction, ore transportation, processing and tailings disposal. And because the public notice and comment directions were confusing and the links did not always work, these permits need to be noticed again, with correct information, and an additional 30-day period for public comment should be allowed, after all information, reports, plans, letters of credit, etc., are first made available to the public online.

**Material misstatements from DNR and DEC as to Manh Choh Mine owner, permittee**

The first question we should ask ourselves is “Who is the prospective permittee?” Who will perform the duties outlined in the permit and who is signing as the party responsible for payment of any bond or failure to perform? Both DEC and DNR have failed to answer these questions correctly in the information provided to the public.

On the website to which the public is directed, to comment about the Manh Choh mine and the two permits up for public review, the DNR (the website to which both agencies refer the public) incorrectly states in the first sentence:

“Kinross Gold Corporation (Kinross), the majority owner of a joint venture (Peak Gold) with Contango ORE, Inc., has proposed to develop an open pit gold mine approximately 10 miles south of Tok, Alaska, in the Upper Tanana Athabascan Village of Tetlin.”

The proposed permits themselves prove this statement is not correct. It is not Kinross Gold Corporation or Contango ORE, Inc. that will be the permittee or the liable party on any permit. Instead, it is Peak Gold, LLC. There will be no liability for either member of Peak Gold, LLC – even if their members were Kinross Gold Corporation or Contango ORE, Inc., which they are not.

Because of this material misstatement of fact, the DNR and DEC need to renounce the public and state correctly who the permittee will be. This would be the liable party and party responsible on any bonds. It will not be Kinross Gold Corporation or Contango ORE, Inc. as the state represents.

Contrary to the state’s website, Peak Gold, LLC is not a joint venture between Kinross and Contango. Usually, in a joint venture, each joint venturer is liable jointly and severally for all liabilities of the joint venture. In a limited liability company, the members are only liable up to the amount contributed to the company, and can allow it to go bankrupt. By saying a joint venture is involved, the state has misrepresented the liability of the members of Peak Gold, and represented that Kinross and Contango each will be jointly and severally liable for the performance of Peak Gold, when they will not be liable, absent special circumstances.

But this misrepresentation is even worse. The members of Peak Gold, LLC are not Kinross Gold Corporation and Contango ORE, Inc., as stated on the state’s websites. The Alaska Department of Commerce, Corporations Division, lists Peak Gold, LLC as Alaska foreign entity #10026433, a Delaware limited liability company (not a joint venture.) Entity #10026433 is owned 30% by Core Alaska, LLC (not by Contango ORE, Inc.) and 70% by KG Mining (Alaska), Inc. (not by Kinross Gold Corporation.)

Worse still, KG Mining (Alaska), Inc. – the real 70% owner and manager of Peak Gold, LLC – is not authorized to do business in Alaska. Thus, the manager of Peak Gold, LLC, and the entity applying for and signing permits for Peak, is conducting business without proper certification by the state. Since KG Mining is not a proper entity in Alaska, one does wonder whether any of its promises or agreements – or those of Peak - could ever be enforced. Are any of the permits Peak Gold holds even valid if the entity applying for them and signing on them is not authorized to do business within the state of Alaska? If KG Mining (Alaska), Inc. has some connection with Kinross Gold Corporation, it is not disclosed in any filings with the Alaska Corporations Division, Department of Commerce.

Core Alaska, LLC (Alaska foreign entity #10097949) is a Delaware limited liability company with a Houston address, owned 100% by Contango ORE, Inc., Alaska foreign entity #130991.

Just because one corporation owns another does not make the parent corporation liable for debts of the subsidiary. Just ask any bankruptcy lawyer.

So, neither Kinross Gold Corporation nor Contango ORE, Inc. are the liable parties behind Manh Choh. They are not even the members of Peak Gold, LLC. Peak Gold, LLC is a shell company, perhaps managed by something – but not by an entity authorized to do business in the state of Alaska.

The proposed \$63,507,000 bond, a major part of approval of Manh Choh reclamation plan, looks like it will be signed by Peak Gold, LLC, (through its unrecognized manager KG Mining,(Alaska), Inc., not by Kinross Gold Corporation or Contango Ore, Inc.

Why not have those two parent corporations sign any bond and guarantee to the people of Alaska that their subsidiaries/ affiliates – iassuming that's what they are - will faithfully perform their duties under their permits and they will responsibly manage waste and totally reclaim and close the properties as promised, or as may be required in the future? Peak's majority owner and manager is not even registered in Alaska as a corporation, and there is nothing in the corporate records of Alaska or the proposed permits to connect liability for faithful performance of the permit requirements with either Kinross Gold Corporation or Contango Ore, Inc.

I also question whether Peak Gold, LLC is bound by the signature of its environmental director. The limited liability company acts through a manager, which is not organized in or recognized by the state of Alaska. So even if it signed a proper authorization of its environmental director, the authorization itself would be questionable and may have no effect. The parent corporations of the limited liability company should sign all permits and bonds.

One final point is that any security posted, letters of credit and the like, must be double-checked to make sure that the named entities actually own the property pledged and are properly pledging it to secure their performance. Are they the correct entities? Do they actually own the property pledged? Do they actually have the financial responsibility to perform, or are the promises and security illusory? Or will the liabilities be left to future Alaskans to clean up and deal with? The underlying bond, letter of credit, or other security should be posted online, available to the public.

### **Confusing and misleading instructions on how to comment**

Depending upon which day this writer checked, the website directed the public to the DNR, or sometimes included an DEC address. Sometimes it didn't. The links didn't always work. This alone requires a new public notice and full 30 days for the public to comment to the correct department. In addition, both departments should share all comments they receive with the other department.

### **A Public Hearing is Required**

The reasons outlined in this letter are grounds for both a new, corrected public notice and an additional 30 days of time for public comment to be received. A public hearing is required, and should be granted by both departments on these two permit requests.

**All Agreements and Studies Referred to in the Plans Should be Available to the Public on the State's Websites**

The Plans refer to a "Plan of Operations", a letter of credit and several other documents that could easily be made available to the public without a special request and delay. When the plans are re-noticed to make corrections, please make all documents related to the permits available to the public on the state's websites.

For the reasons outlined in this and other letters I am sending to you, both permits should be denied. If the process continues, a corrected public notice should issue and an additional 30 days should be allowed for public comment on both permits, after all studies, plans, letters of credit, etc., are made available to the public online.

Sincerely,

Barbara Schuhmann

Website page

Obj reqt corr ntc.adec



# Department of Commerce, Community, and Economic Development CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

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## SEARCH CORPORATIONS DATABASE

Entity Number:   Current Only

Entity Name:   Starts With  
 Contains

No Results.

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