



First Amendment to
Upland Mining Lease ADL 535408

Record in the Fairbanks Recording District

The State of Alaska, Department of Natural Resources, by and through the Division of Mining, Land and Water (referred to herein as "DNR"), and Melba Creek Mining, Inc., and Fairbanks Gold Mining, Inc. (collectively referred to herein as "Lessee"), were the original parties to an Upland Mining Lease, ADL 535408, which was effective February 15, 1994, and which was recorded on March 24, 1994 in the Fairbanks Recording District at Book 846, Pages 101-122 ("the Lease").

Pursuant to the settlement of *Weiss v. State*, Case No. 4FA-82-2208 Civil, and Quitclaim Deed No. 8000044, dated September 20, 1996, and recorded on September 25, 1996, at Book 971, Pages 924-930, Fairbanks Recording District, DNR conveyed all of its interests in the land subject to the Lease to the Alaska Mental Health Trust Authority, as trustee ("AMHTA"). It was DNR's intent and obligation to convey all interest in the Lease as well, and subsequent to the conveyance, the AMHTA, by and through the Alaska Mental Health Trust Land Office (referred to as "TLO"), has managed and been the de facto lessor under the Lease.

For and in consideration of the covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree to amend the Lease as follows:

1. DNR, the Alaska Mental Health Trust Authority, by and through the TLO, and Lessee agree to substitute the Alaska Mental Health Trust Authority, by and through the TLO, as the named lessor under the lease;
2. Addition of land to lease: The undersigned parties agree to add the land identified as Parcel A to the Lease, subject to all terms and conditions thereof. Parcel A is described in Exhibit A, which is attached and made a part of this Amendment.
3. Deletion of land from lease: The undersigned parties agree to delete the land identified as Parcel B from the Lease. Parcel B is described in Exhibit B, which is attached and made a part of this Amendment. Lessee agrees that it shall remain responsible pursuant to the

terms of the lease for any remediation or clean-up of or related to Parcel B, and for any indemnity obligation arising out of or pertaining to any condition created or initiated, or any occurrence, during the period Parcel B was included within the Lease.

4. Lessee shall pay to the AMHTA, through its agent, the Trust Land Office, \$500 as an administrative fee to amend the Lease.
5. Effective date of Amendment: Paragraph 1 of this Amendment shall become effective immediately upon execution of this Amendment by all parties. Paragraphs 2, 3, and 4 shall become effective upon completion of both (a) the execution of this Amendment by all parties, and (b) conveyance of title to Parcel A to the Trust, and not before.

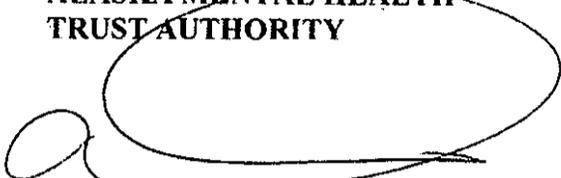
Unless provided for otherwise in this Amendment, all other terms and conditions of the Lease remain in full force and effect.

This Amendment is attached to and made a part of the Lease.

This Amendment may be executed in multiple counterparts, all of which shall constitute one and the same instrument. The undersigned party representatives hereby declare that they have the necessary authority to execute this Amendment on behalf of their respective organizations.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on this 31st day of December, 2007.

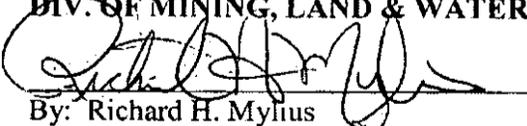
**ALASKA MENTAL HEALTH
TRUST AUTHORITY**


By: Harry A. Noah
Executive Director, Trust Land Office

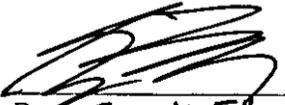
**LESSEE,
MELBA CREEK MINING, INC.**


By: Greg V. Efton
Its: Vice President

**STATE OF ALASKA
DEPT. OF NATURAL RESOURCES
DIV. OF MINING, LAND & WATER**


By: Richard H. Mylius
Its: Director

FAIRBANKS GOLD MINING, INC.


By: Greg V. Efton
Its: Vice President



STATE OF ALASKA)
)ss:
THIRD JUDICIAL DISTRICT)

This is to certify that on this 31st day of December, 2007, personally appeared Harry A. Noah, known to me to be the Executive Director of the Trust Land Office, and who acknowledged to me that he executed the foregoing instrument, on behalf of the Trust Land Office, as agent for the Alaska Mental Health Trust Authority, freely and voluntarily and for the purposes therein stated.



Jennifer Dufresne
NOTARY PUBLIC in and for Alaska
My Commission Expires: with office

STATE OF ALASKA)
)ss:
THIRD JUDICIAL DISTRICT)

This is to certify that on this 31st day of December, 2007, before me personally appeared Dick Mylius, Director of the Division of Mining, Land, and Water, and who acknowledged to me that he executed the foregoing instrument on behalf of the State of Alaska, Department of Natural Resources, Division of Mining, Land, and Water, freely and voluntarily and for the purposes therein stated.



Jennifer Dufresne
NOTARY PUBLIC in and for Alaska
My Commission Expires: with office

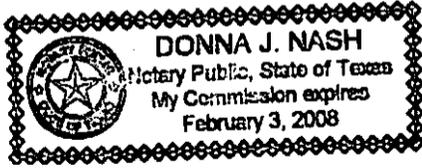


Q GVE
TEXAS
STATE OF ~~ALASKA~~)
COUNTY OF ~~BEAR~~ *BEXAR*) ss:
~~THIRD JUDICIAL DISTRICT~~)

This is to certify that on this 31st day of December, 2007, before me personally appeared Greg V. Etter, Vice President of Melba Creek Mining Inc + Fairbank Mining Inc, and who acknowledged to me that (s)he executed the foregoing instrument on behalf of Melba Creek Mining Inc + Fairbank Mining Inc, freely and voluntarily and for the purposes therein stated.

Donna J. Nash

NOTARY PUBLIC in and for Alaska
My Commission Expires: _____



After recording, return to: The Trust Land Office
718 L Street, Suite 202
Anchorage, Alaska 99501



EXHIBIT A

Description of Parcel A

A portion of Section 20, Township 2 North, Range 2 East, Fairbanks Meridian, Alaska, lying west of Tract C-3 as depicted on the Alaska State Cadastral Survey Plat filed May 24, 1994, as Instrument Number 94-72; Records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska, more particularly described as follows:

Commencing at the Closing Corner marked by a 2 ½" aluminum cap on an aluminum pipe stamped E – ES – MS 2008 and being on the south boundary of Section 20, Township 2 North, Range 2 East, Fairbanks Meridian, Alaska, and common to the north boundary of Mineral Survey No. 2008; Thence N. 00°10'01" W. along the westerly boundary of Tract C-3 as shown on the above mentioned plat a distance of 1454.94 ft. to the **True Point of Beginning**;

Thence continuing N. 00°10'01" W. along the westerly boundary of the aforementioned Tract C-3 a distance of 587.65 ft. to an additional Closing Corner of the aforementioned Section 20 marked by a 2 ½" aluminum cap on an aluminum pipe stamped CC;

Thence N. 00°10'46" W. continuing along the westerly boundary of the aforementioned Tract C-3 a distance of 2950.19 ft. to the east sixteenth corner of Section 17 and Section 20, Township 2 North, Range 2 East, Fairbanks Meridian;

Thence S. 89°52'32" W. along the northerly boundary of Section 20, Township 2 North, Range 2 East, Fairbanks Meridian a distance of 842.85 ft. to a point;

Thence S. 03°21'32" W. a distance of 2361.81 ft. to a point;

Thence S. 40°06'01" E. a distance of 1540.34 ft. to the **True Point of Beginning**.

Containing 62.954 Acres, more or less.

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12/31/07



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2008-022516-0

EXHIBIT B

Description of Parcel B

A portion of Tract C-3, Township 2 North, Range 2 East, Fairbanks Meridian, Alaska, according to the Alaska State Cadastral Survey Plat filed May 24, 1994 as Instrument Number 94-72; Records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska, more particularly described as follows:

Commencing at the Closing Corner marked by a 2 1/2" Aluminum cap on an aluminum pipe stamped CC in Section 17, Township 2 North, Range 2 East, Fairbanks Meridian, Alaska and on the western boundary of the aforementioned Tract C-3, being the **True Point of Beginning**;

Thence S. 00°10'51" E. along the westerly boundary of the aforementioned Tract C-3, a distance of 2088.19 ft. to the quarter corner of Section 17 and Section 20, Township 2 North, Range 2 East, Fairbanks Meridian marked by a BLM 3 1/4" brass cap on an iron pipe stamped 1/4 S17 S20;

Thence N. 89°52'32" E. along the southerly boundary of Section 17, Township 2 North, Range 2 East, Fairbanks Meridian a distance of 477.91 ft. to a point.

Thence N. 01°11'12" E. a distance of 1254.91 ft. to a point;

Thence N. 31°31'00" W. a distance of 976.55 ft. to the **True Point of Beginning**.

Containing 19.055 Acres, more or less.

