



April 26, 2016

Mark Spencer, District Manager
U.S. Department of the Interior
Bureau of Land Management, Anchorage District Office
4700 BLM Road
Anchorage, Alaska 99507

Dear Mr. Spencer:

Calista Corporation was organized under the Alaska Native Claims Settlement Act (ANCSA), an Act mandating formation of Regional and Village Native Corporations to select and receive title to lands and resources to provide economic benefits to the Shareholders enrolled in those corporations. Congress enacted ANCSA to “provide for the real economic and social needs of Natives ... with maximum participation by Natives in decisions affecting their rights and property.”

Congress intended that Native corporations would be able to develop and realize the potential of the land conveyed to them, a point that has been affirmed by the Ninth Circuit Court of Appeals. Donlin Gold proposes to develop the land at Donlin Creek to build a gold mine in partnership with Calista Corporation and TKC. In addition to an open pit gold mine, the project proposal includes 313 miles of buried natural gas pipeline, a power plant, port and road, airstrip and barge landings. Calista Corporation supports the project as proposed, Alternative 2 of the Donlin Gold Draft Environmental Impact Statement.

The Donlin Gold project is located in Southwest Alaska, approximately 277 miles west of Anchorage. The nearest community is the Kuskokwim River community of Crooked Creek where the original land selections including Donlin Creek were made by that village corporation’s leaders, prior to its merger with several other central Kuskokwim River villages to form The Kuskokwim Corporation. The land was selected specifically for its recognized mineral development potential.

Calista disagrees with the conclusions reached in the Preliminary ANILCA Section 810 Subsistence Impact Analysis that the Donlin project will have substantial impacts to subsistence. This opinion lacks vigorous scientific inquiry and input from local subsistence users about how and where they practice subsistence. We are convinced that the analysis is unbalanced and flawed by assessing possible negative impacts and totally disregarding the positive social and economic impacts the project will provide.

Actual patterns of subsistence use of the land is lacking in the 810 analysis. For instance, Calista challenges the assumption that subsistence berry harvesters walk ten or more miles over hills and streams to pick berries at Donlin Creek, bypassing miles of abundant berry crops along the way. There are no established or maintained roads or trails to the Donlin Creek project site. BLM determined that Crooked Creek is non-navigable above its

Getmuna Creek and Bell Creek tributaries, therefore Donlin Creek cannot be accessed by boat during berry-picking or fall hunting seasons.

Crooked Creek is a tiny tributary of the Kuskokwim River. The limited run of salmon in the small creek is not large enough to be a subsistence resource for the community of Crooked Creek. The village is located on the banks of the Kuskokwim River and Crooked Creek residents do their subsistence salmon fishing in the larger river utilizing the far more significant Holitna and upper Kuskokwim River fish stocks.

There are no herds of migratory animals that utilize Crooked Creek or Donlin Creek as migration corridors. The terrain surrounding Donlin Creek comprises low rolling hills covered with boreal forests that are further surrounded by hundreds of square miles of similar boreal forest habitat, therefore, the project would present no constrictions to migratory passage or habitat availability to unduly impact subsistence resources. Donlin Creek is privately-owned ANCSA corporation land closed to non-subsistence hunting preventing competition from non-subsistence hunters. Further, hunting is a restricted activity at all mine sites to ensure worker safety. We reject the assertion in the 810 analysis that there could be significant restrictions to subsistence resources.

The 810 Analysis states that the project will release contaminants into surface waters. This activity is unlawful and the Donlin Gold project does not propose to conduct activities that violate laws and regulations. Rather, the project has made extraordinary efforts to design a project that exceeds current environmental regulatory standards, including state of the art emission control and surface and ground water protection. Discharges from the mine operations must comply with the Clean Water Act and meet Alaska water quality standards that are developed to protect fish and aquatic life. Permitted discharges would not adversely affect subsistence resources. Additionally, the project proposes natural gas power generation, a far cleaner power source with fewer emissions and without fuel spill risks associated with burning diesel fuel.

Fuel and electrical power generation costs in the Yukon-Kuskokwim area are several times higher than in rail belt Alaska and the rest of the nation, deriving in large part from geographic isolation, lack of surface transportation and resulting high transportation costs. The Donlin Gold project contains the potential for lower cost energy options to the region such as the proposed natural gas pipeline that has been designed for excess capacity to allow for future access to natural gas for regional energy needs.

The pipeline itself was designed to have minimal impacts to the environment and to Iditarod Trail use. The pipeline will be buried and will not obstruct human or animal movement or impact view sheds. The pipeline route was specifically chosen to avoid areas of heavy subsistence use, including ANCSA village lands that were selected for subsistence use. Pipeline crossings tunneled beneath river beds will eliminate bridging or overhead structures and temporary construction roads will be removed after construction to minimize human access and environmental impacts. Tree clearing and post construction reclamation of the temporary construction road along the pipeline right of way will create moose browse. The natural gas pipeline will greatly reduce the amount of fuel that would

otherwise have to be barged, minimizing the number of barge trips on the Kuskokwim River. This solution to energy transportation is in direct response to concerns expressed by local residents who utilize the Kuskokwim River for subsistence fishing and access to other subsistence areas.

The Donlin Gold project description demonstrates an understanding of environmental concerns and best environmental principles and practices. The project will be scrutinized under a rigorous permitting process that reviews and analyzes all potential impacts, and this analysis must include the positive economic impacts of a vibrant resource-based economy. Alaska has seven existing large producing mines that were permitted under a rigorous review required by the National Environmental Policy Act and a scientifically based permitting process requires as many as 100 State and Federal permits and authorizations. These mines operate under high standards and in harmony with renewable resources. The Donlin project will be subject to stringent stipulations by the State of Alaska Department of Natural Resources and the Department of Environmental Conservation, that regulate mining operations statewide and protect wildlife, the environment and human health.

Throughout the project's lengthy exploration period, Donlin Gold committed strongly to local hiring and job skills training, and showed support to communities, cultures and people in the region, beginning with the first employees from Crooked Creek. Calista Shareholder employees and descendants during the project's exploration ultimately came to total 90% of the workforce, including management level jobs in operations and logistics. This result was achieved through dedicated effort over several years to create a work culture based on responsibility, sobriety, training, safety and personal pride in work. Our shareholders and descendants developed skills that serve them elsewhere and some have launched professional careers in environmental management that began at Donlin Creek.

The Calista region experiences some of the highest unemployment rates and lowest family income levels in Alaska and has few other economic opportunities. The Donlin Gold project as proposed would produce gold for more than 27 years, providing well-paying jobs, with a preference for Calista shareholder and local hire. An estimated 3,000 jobs will be created during the approximate four-year construction phase, and between 600 to 1,200 jobs during the estimated life of mine. Post-production reclamation and monitoring will extend employment opportunities beyond production life of mine. These jobs will have a significant and positive impact on the economy of the region and the state. The Donlin Gold project is a rare opportunity to improve the local economy in a place where few other opportunities exist.

The social and economic benefits of this project will extend to the region, state, and to the nation. The economic stimulus provided by Donlin Gold would help sustain communities in the Yukon-Kuskokwim region and assist residents to pay the increasing costs of subsistence activities. Rural Alaskans continue to rely heavily on traditional food sources and yet some families are forced to choose between heat, electricity and food. In this century, there has been a steady erosion of traditional subsistence practices, yet there has been nothing put in place of traditional subsistence economies. There is a continuing and

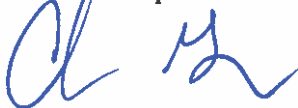
growing need to earn personal income to afford the equipment and fuel that allows people to hunt, fish and otherwise provide for their families. Subsistence and economic development go hand in hand.

Rural Alaska is being severely impacted by the reduction of state and federal dollars, which has a disproportionately negative impact on rural economies where there are limited to no options for diversified economic development. Lack of jobs in rural areas of Alaska impacts the ability of indigenous people to provide for their families, which is at the core of traditional life and culture. Alternative 1 (the no project alternative) will only deepen impacts of the current downturn of the Alaska economy, that are already being felt. Opportunity to work within the region on a year-round basis will provide alternatives to out-of-region migration for work, so that traditional lifeways and culture can be maintained in place. Mineral resource development has been a single enduring source of rural jobs and, in some areas of the state, it remains the only viable option for economic self-sufficiency.

Calista Corporation and its board of directors strongly support and recommend that Donlin Gold move forward with development of our land as proposed in Alternative 2 and that the BLM reconsider its analysis of the project's impacts on subsistence.

Sincerely,

Calista Corporation



Andrew Guy,
President and CEO