

**AGREEMENT FOR MITIGATION  
BETWEEN THE STATE OF WASHINGTON DEPARTMENT OF FISH AND  
WILDLIFE AND CROWN RESOURCES CORPORATION**

**I. INTRODUCTION**

Crown Resources Corporation (Company) has applied for permits necessary to construct the Buckhorn Mountain Project (Project), which is subject to chapter 78.56 RCW (Metals Mining and Milling Act), among other laws. The environmental impacts of the Project are being identified in a Supplemental Environmental Impact Statement (to the Crown Jewel Mine Environmental Impact Statement). The Washington Department of Ecology (Ecology) serves as the lead agency in preparing the document and coordinating the environmental review process pursuant to the State Environmental Policy Act (ch. 43.21C RCW). As part of this process, Ecology, after consultation with the Washington Department of Fish and Wildlife (Fish and Wildlife) incorporates measures to mitigate impacts to fish and wildlife as part of Ecology's review of the proposed operation.

On September 15, 2006, Ecology published a final Supplemental Environmental Impact Statement (SEIS) for the Project. At the direction of Ecology, Fish and Wildlife has reviewed the SEIS along with habitat and aquatic resource evaluation reports prepared for the project to determine what impacts exploration, construction, mining operations, and reclamation may have on the wildlife habitat and aquatic resources in the vicinity of the proposed Project. Based on the impacts identified for the Project, the Company, and Fish and Wildlife began negotiations regarding mitigation actions to address expected impacts to fish and wildlife.

The Company and Fish and Wildlife successfully concluded an agreed upon package of mitigation elements that the Parties expect will mitigate the significant probable adverse impacts of the project to fish and wildlife. The measures of the fish and wildlife mitigation package are contained in the following documents:

1. Habitat Mitigation Plan Buckhorn Mountain Project, Edge Environmental, Inc., July, 2006.
2. Buckhorn Mt. Project Aquatic Resources Mitigation Plan, Golder Associates, September 2006.
3. Buckhorn Mountain Project Ecological and Aquatic Resources Monitoring Plan, Golder Associates, August, 2006.
4. Buckhorn Mountain Project Hydrologic Monitoring Plan, Golder Associates, November 2006.
5. Buckhorn Mountain Project Adaptive Management Plan, Golder Associates, November 2006.

The documents listed above may be modified by mutual agreement of the parties. Any such modification shall be approved, in writing, by Fish and Wildlife and, upon approval, be incorporated by reference in this Agreement. All parties named in this agreement have been provided with copies of all documents listed above.

## **II. MITIGATION FOR FISH AND WILDLIFE**

Fish and Wildlife and the Company recommend that Ecology adopt this Agreement, the Mitigation Plans, Monitoring Plans, and Adaptive Management Plan, which are fully incorporated by reference into this Agreement, as the fish and wildlife mitigation measures for the Project, and incorporate these fish and wildlife measures in the appropriate Ecology permits for the project.

## **III. MANAGEMENT AND MAINTENANCE**

The Company shall place a conservation easement on the title of the mitigation properties referenced in the two Mitigation Plans following receipt of all permits necessary to construct and operate the Project. The Company shall hold the mitigation properties and shall manage and maintain the property in accordance with the two Mitigation Plans through the life of the Project. Following cessation of mining and prior to the completion of reclamation, the intent of the parties is that the Company will transfer the mitigation properties to a land trust organization with holdings in Okanogan County. The Company shall establish a fund at the time of transfer to provide funding for management and maintenance of the mitigation properties pursuant to the above mitigation plans. The fund will be sufficient to pay the difference between any revenue received as contemplated in the mitigation plans and the cost of management and maintenance on the mitigation properties and paying anticipated property taxes. The fund will be sized to cover the management and maintenance responsibilities in perpetuity.

## **IV. MISCELLANEOUS**

### **A. Terms of Agreement**

This Agreement becomes effective on the date of last signature. The Company's commitments in this Agreement will continue beyond the completion of reclamation of the site. In the event that the Company is unable to reach agreement with a land trust to assume management and maintenance obligations, the Company's obligations will continue in perpetuity. Mitigation actions described in the Mitigation Plans will begin with the issuance of the permits required to construct and operate the Project.

### **B. Modifications to Agreements**

Modifications to this Agreement may be recommended by either the Company or Fish and Wildlife and incorporated into this Agreement upon written concurrence by both Parties.

### **C. Dispute Resolution**

It is anticipated that the respective staffs working directly on this matter will be able to resolve any dispute that arises under this Agreement. Should that not be possible, disputes shall be elevated through the respective chain-of-command up to the Assistant Director for Habitat of the Department of Fish and Wildlife and the General Manager of Crown Resources Corporation. In the unlikely event that a dispute should remain unresolved through this process, either party may submit the dispute for mediation with each party sharing the mediation costs.

**D. Waiver of Default**

Any waiver at any time by any Party hereto of any right with respect to any matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default or waiver.

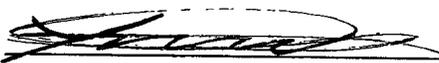
**E. Assignment**

This Agreement shall be binding on all successors or assignees. During the term of this Agreement, ownership and/or control of the lands designated for wildlife mitigation may be transferred to a third party under the following two conditions:

1. Signatory parties to this Agreement provide written concurrence with the transfer, which concurrence shall not be unreasonably withheld; and
2. The receiving party assumes the rights and obligations of this Agreement.

**V. SIGNATURES**

**CROWN RESOURCES CORPORATION:**

By:  \_\_\_\_\_

Date: 5-30-07

**WASHINGTON DEPARTMENT OF FISH AND WILDLIFE:**

By:  \_\_\_\_\_  
Date: JUN 13 2007 William C. Brooks, C.P.M.  
Contracts Officer