

Erik LeRoy, P.C.
500 L St., Ste 302
Anchorage, Alaska 99501
(907) 277-2006
Attorney for Debtor

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF ALASKA

In re:	:	
	:	Case No. A17-00100
Northwest Gold, LLC	:	chapter 11
	:	
	:	
Debtor.	:	
_____	:	

MOTION FOR ORDER DIRECTING PAYMENT DIRECTLY TO DEBTOR & AUTHORIZING TAILING SALES

The Debtor, files this Motion requesting an order that it has authority to sell tailings to M & M Constructors, LLC and directing that the proceeds of such sales, and earlier sales, shall be deposited in the Debtor's Debtor in Possession Account.

M & M Constructors, LLC needs access to tailings to sell and crush by August 10, 2017. The Gravel Sale Order at DE 45 provides that, other than sales of the 20,000 cubic yards of crushed material stored adjacent to Wash Plant A, no new excavation or crushing of rock is authorized without separate court order. Debtor believes the Court's Oral Decision holding that the Wash Plant A tailings belong to the Debtor, subject to the security interest of Airport Equipment Rentals, Inc. satisfies that requirement. AER supports the Debtor's sale of tailings from Wash Plant A to M & M. The Debtor has, in its ordinary course of business, always sold tailings to M & M.

Attached to this Motion is a draft Tailings Sale Agreement which will be signed by M & M and a draft order approving this Motion.

For the remainder of the 2017 construction season M & M may remove, sell and crush tailings below and adjacent to Wash Plant A. M & M may move its crushing equipment back to the location on which it was installed earlier this summer. M & M may remove tailings from the Wash Plant A tailing pile area until it hits the layer of fines or sands below the Wash Plant A tailing pile, which are apparent from the photos of the Wash Plant A location admitted at the trial. M & M is the best judge of what tailings adjacent to and below that Wash Plant A location are worth \$4 per cubic yard.

The Order at DE 45 directed that M & M's payments for tailings would be deposited into the Court Registry Account. This step is unnecessary. All sale proceeds should be deposited in the Debtor in Possession account and with limited exception, should not be disbursed without further court order. Without further court order the Debtor should be allowed to pay quarterly U S Trustee fees and insurance premiums.

Debtor's counsel will speak with or communicate with Jo Kuchle or Barbara Shuman for Wigger Estate and Cabot Christianson for Lisa and Milt Behr. If they oppose this motion the Debtor will file a motion to shorten time and request a hearing on the motion sometime during the week of August 7.

Dated August 3, 2017

Erik LeRoy, P.C.
Attorney for Debtor in Possession

/s/ Erik LeRoy

Certificate of Service

I certify that on August 3, 2017, a copy of this pleading was served on

Asst US Trustee
D Bundy (AER)
G Ballou (Fbx Food Bank)
J Kuchle (Wigger Estate)
C Christianson (Behrs)

by first class mail if an address is indicated above, or by electronic means through the ECF system as indicated on the Notice of Electronic Filing.

Erik LeRoy

/s/ Erik LeRoy

Tailing Sale Agreement

Northwest Gold LLC ("Owner"), owns various all or the majority of patented mining claims("Property") in and near Ester, Alaska. M & M Constructors, LLC ("Contractor") wishes to purchase mine tailings to sell, or crush from the owner. Therefore, as of August 1, 2017 owner and contractor agree as follows:

- 1) Owner agrees to sell Contractor tailings from the Wash Plant A location at the rate of \$4 per cubic yard. Contractor may remove tailings from the Wash Plant A location until it hits the fines or sands which are apparent from the photos of the Wash plant A location which were admitted as exhibits at the July 5 and 6 trial.
- 2) Contractor will keep accurate logs of tailings removed or used for crushing will provide copies of those logs to Owner at the end of each week of operation.
- 3) Contractor will pay owner for the tailings purchased on the last business day of month for the tailing purchased in the previous month. Payment shall be made to the Debtor's Debtor in Possession Account, or other account as directed by the Court.
- 4) Contractor agrees to keep the property free of trash and equipment fluids and will clean up any spills of liquids or other hazardous material immediately at its own expense. At the conclusion of the project, contractor will leave the property in a similar condition to when they found it.
- 5) Contractor is responsible for the actions of their employees, subcontractors, suppliers and agents.
- 6) Contractor is responsible for obtaining any necessary permits and agrees to comply with all federal, state and local laws during the project.
- 7) Owner will have access to the property during the project.
- 8) Contractor will indemnify and hold Owner and Wigger Estate harmless from any and all liability or assertions of liability arising in any way from the actions or inactions of contractor, subsidiaries, agents, subcontractors or suppliers arising from the project and use of the property. Contractor will defend, indemnify and hold harmless the owner, owner's officers, employees and agents from any and all claims, liabilities, losses, damages, costs or expenses including but not limited to attorney fees and court costs that may arise as a result of activities being conducted on the property during the project.
- 9) Contractor will provide certificate(s) of insurance naming Owner and Wigger Estate as additional insured with general liability coverage of \$1,000,000 per claim, \$2,000,000 aggregate, auto liability and workers compensation with a waiver of subrogation.
- 10) This Agreement will be effective for the 2017 construction season.
- 11) Contractor will keep the gates to the property locked during nighttime hours and weekend hours if Contractor or Owner are not on the Property and will daily drive the Property to confirm there has been no unpermitted use of the Property.

Northwest Gold , LLC

M & M Constructors, LLC

Erik LeRoy, P.C.
500 L St., Ste 302
Anchorage, Alaska 99501
(907) 277-2006
Attorney for Debtor

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF ALASKA

In re:	:	
	:	Case No. A17-00100
Northwest Gold, LLC	:	chapter 11
	:	
	:	
Debtor.	:	
_____	:	

ORDER DIRECTING PAYMENT DIRECTLY TO DEBTOR &
AUTHORIZING TAILING SALES

The Debtor has filed a motion seeking clarification that it has authority to sell tailings to M & M Constructors, LLC, from its Wash Plant A location and that any payments for tailings or crushed rock be made directly to the Debtor.

IT IS ORDERED

1. The Debtor may sell to M & M Constructors, LLC tailing located on the Wallace Association Placer portion of U. S. Mineral Survey 355 adjacent to and below Wash Plant A. For the remainder of the 2017 construction season M & M may remove and sell or process tailings from this location in the manner Pat McGlinchy explained, at the trial on July 5 and 6, he would remove such tailings, by going down another layer into the Wash Plant A tailings pile. M & M may remove tailings from the Wash Plant A location until it hits the fines or sands which are apparent as a different color and material in the Exhibit 79 photos admitted at trial.

2. The Material will be sold for \$4 a cubic yard and sale proceeds will be deposited in the Debtor in Possession account. Any payments from M & M Constructors for sale of any of the 20,000 cubic yards of crush rock located in piles adjacent to the Wash Plant A will also be deposited in the Debtor in Possession account. These deposits will be held in this account pending a further order of how these proceeds can be used and by whom, except that the Debtor will pay insurance premium and U.S. Trustee quarterly fees from its account without further order of this Court, but will not pay any reimbursements to anyone for payments of these expenses before this date, without further order of this Court.

August , 2017

U.S. Bankruptcy Judge
Gary Spraker