FACT SHEET
(pursuant to NAC 445A.401)

Permittee: **Newmont Mining Corporation**

Facility Name: **McCoy/Cove Mine**

Permit Number: **NEV0088009 – Closure (2006 Renewal)**

A. Description of Facility

Location:

The Newmont Mining Corporation (NMC) McCoy/Cove Mine is located approximately 30 miles southwest of the community of Battle Mountain, Nevada, in Lander County. The facility is situated within Sections 1, 2, 11, and 12 of Township 28N, Range 42E; Sections 5, 6, 7, and 8 of Township 28N, Range 43E; Sections 25, 26, 35, and 36 of Township 29N, Range 42E; and Sections 30 and 31 of Township 29N, Range 43E, Mount Diablo Baseline & Meridian.

General Description:

Existing facilities include: Tailings Storage Facility (TSF), Heap Leach Pad #1, Heap Leach Pad #2, and Heap Leach Pad #3. Leach Pad #1 and associated process ponds have been reclaimed; Leach Pads #2 and #3 have also been reclaimed, however, their associated solution ponds remain open. The majority of the TSF has been reclaimed, but the solution ponds remain. Throughout the mine life, nine waste rock dumps were constructed; all have been reclaimed. Ore was mined from two open pits - the McCoy Pit and the Cove Pit. Open pit mining ceased in 2000. The Cove pit has since become host to a pit lake.

B. Synopsis

Tenneco Minerals Company began site development in November 1985. In early 1986, the Merrill-Crowe Process Plant, Leach Pad #1 and associated ponds were constructed. In late 1986, Echo Bay Minerals Company (EBMC) purchased Tenneco Minerals Company. EBMC constructed the Carbon ADR Plant in 1987; Leach Pad #2 was constructed from 1988 through 1990, and Leach Pad #3 from 1992 through 1997. Construction began in March 1988 on a 7,500 ton-per-day mill facility that began operation in July 1989. In addition to open-pit mining, extraction of high-grade ores from underground operations was initially undertaken in 1988, and continued intermittently until July 2001.

Water Pollution Control Permit NEV0088009 was first issued to the EBMC in 1989 and was last renewed as an active facility in 2001. In May 2003, this Water Pollution Control Permit was transferred from EBMC to NMC. The current permit expired May 2, 2006.

The project is located entirely on federal mining claims, administered by the Bureau of Land Management, Battle Mountain Field Office, with the exception of seven patented claims in the Cove Pit and two patented claims in the McCoy Pit. The activeproject ultimately comprised 4,256 acres of surface disturbance and as of January 2006, only 465 acres remain to be reclaimed.

Geology:

Most of the ore from the McCoy Pit was processed on Leach Pad #1 with the uneconomic material reporting to the #61, #62 and #63 rock stockpiles located near the pit. McCoy rock types, which include clastic, intrusive, marble and skarn, have predominantly high net neutralizing potentials (NNP).

Material from the Cove Pit, low grade oxide ore (altered and unaltered limestone), was processed on Leach Pad #2 and Leach Pad #3. The McCoy and Cove underground ore, the Cove high-grade oxide ore, all of the Cove Panther Canyon ore, and some Cove carbonaceous limestone ore were processed through the Mill facility. All of the NNP uneconomic material types for the Cove Pit were placed in the #51, #53, #54, #55, #56 and #60 rock stockpiles. All Panther Canyon uneconomic material with the potential to generate acid was encapsulated in the #56 rock stockpile on top of approximately 135 feet of high NNP material. Approximately 20,200,000 tons of Panther Canyon oxide and sulfide waste rock were isolated within the stockpile. This material represents less than 8% of the total stockpile that has a total net neutralizing ratio greater than 18:1.

Table 1 Acid-Base Accounting Summary of McCoy/Cove Rock Types

McCoy Pit Material Types	**AGP***	**ANP****	**NNP**
Clastic	1	23	22
Intrusive	1	32	31
Marble	3	754	751
Skarn	46	52	6
Underground Intrusive	2	219	217
Underground Limestone	1	837	836
Underground Marble	1	861	860
Underground Skarn	19	103	84
Underground Portal Waste	1	468	467

Cove Pit Material Types	**AGP**	**ANP**	**NNP**
Alluvium	1	137	136

Caetano Tuff	2	12	10
Caetano Tuff Sediments	1	123	122
Carbonaceous-Cemented Sulfide Panther Canyon	35	184	149
Carbonaceous Limestone	45	536	491
Clay Limestone	3	606	603
Homestation Dolomite	8	694	686
Homestation Dolomite-Cove South Deep UG	8	661	653
Intrusive	41	56	15
Manganese Limestone	1	569	568
Mixed Panther Canyon	1	5	4
Oxide Intrusive	7	79	72
Oxide Panther Canyon	6	22	16
Sulfide Intrusive	41	82	41
Sulfide Panther Canyon	33	25	-8
Unaltered Limestone	21	610	589
Underground Intrusive	59	16	-43
Underground Oxide Panther Canyon	4	4	0
Underground Sulfide Panther Canyon	26	1	-25
58 Dump Composite	44	570	526

*AGP = Acid Generating Potential
**ANP = Acid Neutralizing Potential

Pits:

Two open pits, the McCoy Pit and the Cove Pit, were developed for the extraction of ore. Mining within the McCoy Pit ceased in April 2000; open-pit mining of the Cove Pit was completed in October 2000. Dewatering of the Cove Pit ceased in July 2001.

Inflows to the Cove Pit from the local aquifers have created a pit lake. A pit lake study first performed in 1997 was updated in 2002. Based on modeling, the predicted pit lake water chemical composition, estimated 100 years after the cessation of dewatering, will not adversely affect the health of human, terrestrial or avian life (NAC 445A.429) nor would pit lake water degrade any surrounding ground water or waters of the State. The Permittee has been conducting quarterly sampling of the pit lake since 2001. Table 2 below provides a comparison of the modeled chemical compositions and empirical data based on the averages of quarterly sampling events and includes only those constituents, with the exception of pH, that may be considered elevated with respect to NDEP Profile I standards.

Table 2 – Cove Pit Lake Water Chemistry

Constituent	October 2002 Averages	March 2006 Averages	1st-year model	30-year model	100-year model
pH	7.37	8.09	6.6	8.3	8.5
TDS	2038	1920	N/A	N/A	N/A
Sulfate	1257	1053	1184	184	278
Manganese	5.88	0.249	7.8	0.04	0.03
Zinc	6.62	0.500	33.8	1.1	1.4

All units are in mg/L except for pH
N/A = Not Applicable

As of March 2006, the lake depth was 485 feet and had a surface area of approximately 117 acres. The ultimate pit lake depth, anticipated to occur in 100 years, will be approximately 685 feet and the pit lake will cover an area of approximately 163 acres.

Hydrologic modeling predicts the maximum extent of the 10-foot drawdown isopleth to occur around 2030, approximately 30 years following cessation of dewatering activities. The 10-foot isopleth is expected to extend approximately 6 miles from the pit to the east and 4 miles to the north, south and west.

In the Spring of 2005, the northwest highwall of the Cove Pit experienced a rotational failure resulting in approximately 1,000,000 tons of material sliding toward the pit lake and an indeterminate amount of material entering the lake. Pit lake samples were collected following the wall failure and data indicates no impacts to overall water quality. Currently, the southeast side of the pit, in the access road area for the pit lake, is sliding toward the pit lake at a rate of approximately 1 foot per month. In certain areas of the pit ramp, the floor has also dropped approximately 8 feet over the last year. None of the material that has entered or may enter the lake has a negative or low NNP. All sulfide materials were submerged during the initial filling of the lake

The pit lake will approach a steady-state water level approximately 20 feet lower than the pre-mining groundwater level as a result of surface evaporation. Therefore, the pit lake will have a slight inward hydrologic gradient, based on pre-mining groundwater levels and steady-state conditions. Quantification of this gradient is beyond the sensitivity of the hydrologic model. The impact on the gradient from other hydraulic stresses, such as climatic changes or other sources of groundwater recharge or discharge within the hydrologic basin, cannot be predicted.

The operator will be required to sample the pit lake semi-annually, in three separate locations (North, Middle and South) with samples (NDEP Profile I) collected from three discreet depths. Should pit lake sampling, due to unstable surrounding materials, become unattainable, the operator will be required to provide an alternative, preferably empirical, method to demonstrate that the health of human, terrestrial or avian life will not be adversely affected nor would pit lake water degrade any surrounding waters or Waters of the State.

Waste Rock Stockpiles:

Waste rock from the McCoy Pit has a predominate highly positive NNP and was deposited in the #61, #62, and #63 McCoy rock stockpiles near the pit.

All the waste rock from the Cove Pit with a positive NNP was deposited in the #51, #53, #54, #55, #56, and #60 Cove rock stockpiles located near the pit. Cove waste rock with the potential to generate acid was isolated in the #59 Cove waste rock stockpile. This stockpile overlies the #56 Cove waste rock stockpile, that consists of approximately 135 vertical feet of high NNP material.

All waste rock stockpiles have been reclaimed, except for approximately 60 acres on top of the #51 Cove waste rock stockpile.

Table 3 – Waste Rock Stockpiles

Stockpile ID	Location	Acreage	Volume, tons
#51	Southeast of Cove Pit	130	31,500,000
#53	North of Cove Pit	263	57,600,000
#54	Northwest of Cove Pit	80	4,800,000
#55	Southwest of Cove Pit	206	51,800,000
#56	East of Cove Pit	578	260,600,000
#60	North of Stockpile #53	90	3,800,000
#61	Northwest of McCoy Pit	61	14,400,000
#62	South of McCoy Pit	192	21,300,000
#63	East of McCoy Pit	230	35,700,000

Leach Pads:

Leach Pad #1 was constructed in 1986 with a 60-mil high-density polyethylene (HDPE) liner for the crushed ore portion of the pad and an 80-mil HDPE liner for the portion of the pad slated to receive run-of-mine material. Material was placed on the pad until 1991. Seasonal rinsing of Leach Pad #1 began in June 1998 and ended in March 2000. Approval for final reclamation, including slope contouring and movement of material off containment was given in August 2000 by NDEP and the BLM. This work, including placement of topsoil and seeding, was completed in December 2000. The process ponds were backfilled in 2005, and heap draindown is routed through a 4-inch double-walled HDPE pipe to Leach Pad #2 and ultimately reports to the TSF. Current draindown flow is approximately 2 gpm.

The first phase of Leach Pad #2 was constructed in 1988, with an 80-mil HDPE liner. Two subsequent phases of construction used the same liner system design. Leach Pad #2 was also equipped with a leak detection/collection system. Recontouring and placement of a nominal

18 inches of growth material on Leach Pad #2 was completed in 2004. Current draindown flow is approximately 7 gpm and collects in the double-lined event pond. From this pond, solution is routinely transferred to the TSF.

The construction of Leach Pad #3 began with Phase I in 1992. The pad was constructed with an 80-mil HDPE liner and was equipped with leak detection/collection systems. Closure of Leach Pad #3 is ongoing – recontouring and topsoil placement was completed in 2005. Draindown flow is approximately 18 gpm and collects in the process pond. Once the pond reaches normal operating capacity, solution is transferred to the TSF.

Tailings Storage Facility (TSF):

The TSF consists of an impoundment with a maximum constructed height of approximately 110 feet, a composite liner of compacted soil and synthetic 30-mil very low density polyethylene (VLDPE) liner, underflow drainage system, lined solution collection ditches and ponds. The tailings impoundment encompasses approximately 400 acres. Approximately 309 acres have been covered with a nominal 2 feet of growth media. Ninety-one acres remain to be covered, sixty-one of which represent the north ends of the down gradient embankments.

Current draindown from the tailings underflow collection system is approximately 80 gpm. The solution is recirculated back to the impoundment where active evaporation is currently ongoing resulting in a seepage rate of approximately 50 gpm.

Evapotranspiration (ET) Cells:

For the remaining process components – Leach Pad #2, Leach Pad #3 and TSF - NMC's plans are to convert existing process ponds to ET cells. At Leach Pad #2, the double-lined event pond is scheduled for conversion in 2006. The double-lined Event Pond and Process Pond for Leach Pad #3 are slated for conversion in approximately 3 years; and, for the TSF, three solution ponds – the Sediment Pond, the Reclaim Pond and the Event Pond - will be converted in approximately 5 years.

All process ponds are void of process solution sludge. All leak detection ports/sumps for all ponds will be maintained and monitored throughout closure and post-closure monitoring. Additionally, piezometers will be installed in each ET Cell and monitored throughout closure and post-closure monitoring.

Component Chemistry:

Draindown solutions from Leach Pads #1, #2, #3 and the Tailings Reclaim solution all exhibit very similar chemistry. This similarity is due to the commingling of heap process solutions and TSF solutions during operations. The mill process solution provided the sulfate as there were no sulfides placed on the leach pads. The various constituents for which the NDEP Profile I standards are exceeded are consistent for each of the four components with very few exceptions. The following table provides a listing of the constituents that exceed these standards for each respective process component:

Table 4 - Leach Pad #1, #2, #3 and Tailings Reclaim Draindown Solution

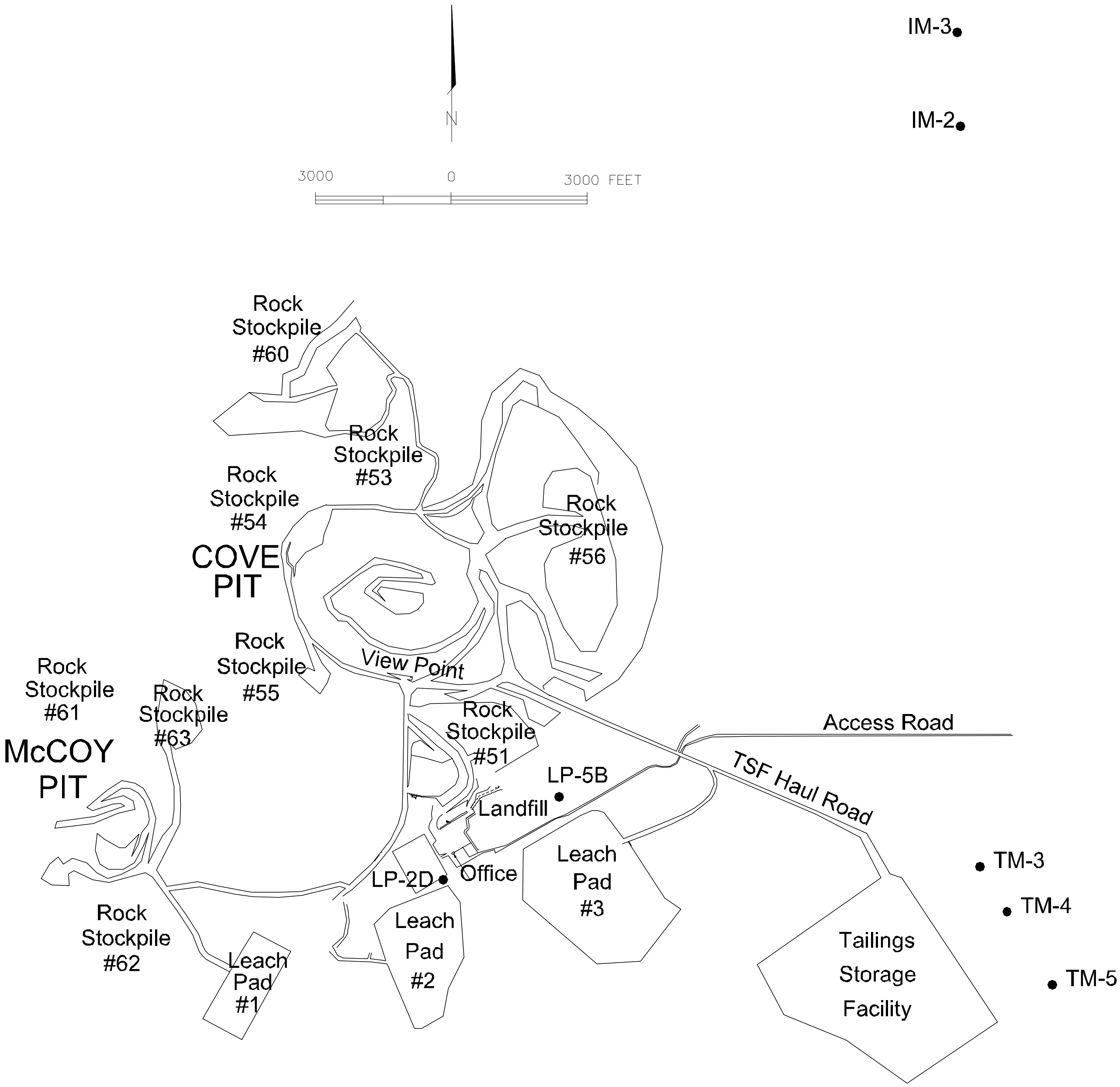
Constituent	NDEP Profile I Standards	Leach Pad #1	Leach Pad #2	Leach Pad #3	Tailings Reclaim
Alkalinity	N/A	98	87	29	106
Arsenic	0.050	0.115	0.433	0.273	0.0196
Cadmium	0.005	N/E	0.0075	0.0068	N/E
Chloride	250 - 400	620	552	489	827
Mercury	0.002	N/E	N/E	0.003	N/E
Manganese	0.05	N/E	2.12	2.50	3.92
Nickel	0.1	N/E	0.141	N/E	N/E
Nitrate as N	10	705	1020	1000	405
pH	6.5 – 8.5	7.35	6.90	6.59	7.94
Selenium	0.050	0.126	0.178	0.197	0.0797
Sulfate	250	1520	2070	3400	3450
Thallium	0.002	N/E	N/E	0.0054	N/E
TDS	500 - 1000	7040	9330	10400	7850
WAD Cyanide	0.2	0.235	N/E	N/E	N/E

All results are presented in mg/L and represent approximate values.
N/E = No Exceedance
Alkalinity and pH are presented for reference only.

Buildings/Structures:

The Mill, Heap Leach facilities and the Administration building were demolished in 2005. The truck and maintenance shops were dismantled and relocated to the NMC Fortitude/Reona (Phoenix Mine) Project. Remaining buildings include an office trailer, security building, and two utility shops.

Figure 1 . Site Map



Site Closure Plan:

The Final Permanent Closure Plan was submitted in November 2003, and approved with comments by NDEP in March 2004. A Comprehensive Final Permanent Closure Plan (CFPCP), which included responses and modifications as required in the approval of March 2004, was received in March 2005. This plan also included a request, which was approved, to modify the approved closure of Leach Pad #1.

C. <u>Site Hydrology and Background Water Quality</u>

The average annual precipitation, based on data collected from the on-site meteorological station, is approximately 8.5 inches per year. Estimated pan evaporation and lake evaporation are 62.5 inches and 45 inches per year, respectively.

Two groundwater systems exist in the vicinity of the Cove Pit - a deep, confined bedrock aquifer and an unconfined shallow aquifer. The deep bedrock aquifer is filling the Cove Pit which includes the Panther Canyon formation. Typically this aquifer has a relatively low hydraulic conductivity, however, intense fracturing in the pit area has increased the hydraulic conductivity of some hydrogeologic units by a factor of 20 or greater than that of the same unit at more distant locations. The Panther Canyon formation consists of three distinct hydrogeologic units that exhibit relatively large hydraulic conductivity values near the mine. The upper silica-cemented conglomerate has a hydraulic conductivity in the range of 0.1 to 20 feet per day; the middle silica-cemented sandstone units have a range of 0.1 to 10 feet per day; and the lower carbonate-cemented sandstone, conglomerate, and dolomite unit also have a range of 0.1 to 10 feet per day.

Two range-front faults east of the Lighthouse Fault form barriers to flow from the alluvium to the Lower Reese River Valley. The faults are approximately ½ mile east of the Cove Pit and are covered by the Tertiary alluvium. The hydraulic conductivity of these eastern faults ranges from 0.001 to 0.033 feet per day. Shallow alluvial groundwater flow is across the site from the west to the east toward the Reese River Valley. Bedrock flow direction is also toward the Reese River Valley and generally follows topography in a northeast direction.

The groundwater beneath Leach Pad #1 lies entirely within the fracture-controlled aquifer of the Cane Springs limestone, i.e. bedrock. Pre-mining depth to groundwater from the original land surface was approximately 500 feet below ground surface (bgs). During dewatering activities from mining of the Cove Pit, the static water level was lowered an estimated 175 feet.

The lithology beneath Leach Pad #2 is similar to that beneath Leach Pad #1. The base of Leach Pad #1 is located approximately 100 feet topographically higher than the base of Leach Pad #2. Pre-mining depth to groundwater from the original land surface was 392 feet bgs. The dewatering effort lowered the static level approximately 200 feet. Since dewatering ceased in 2000, water levels, measured at LP-2D, just downgradient of Leach Pad #2, have risen from approximately 712 bgs to 520 feet bgs in 2005.

Beneath Leach Pad #3, the groundwater is partially confined in the Quaternary alluvium on the east side and in the fracture-controlled limestone on the west side. The depth to groundwater from the original land surface was 222 feet bgs. Dewatering activities lowered the static level by approximately 180 feet. Groundwater measurements, taken at LP-5B, are now at 390 feet bgs.

The groundwater beneath the TSF is wholly contained within the Quaternary alluvium. Dewatering of the Cove Pit had a minimal effect on the original pre-mining water table at approximately 80 feet bgs.

Groundwater quality of the bedrock aquifer near the mine pits and the alluvial aquifer shows similarities. The pH of both sources is alkaline (greater than 7 s.u.). Bicarbonate concentrations are generally higher in the bedrock groundwater than the alluvial groundwater. However, samples taken from the alluvium appear to be sodium-bicarbonate based, while samples from the bedrock near the Cove Pit are generally calcium-bicarbonate based.

Water quality of both aquifers is generally good with most parameters usually within primary drinking water standards. Exceptions are represented by elevated levels of lead and arsenic in the bedrock aquifer. In the alluvial aquifer, concentrations slightly in excess of the secondary standard have been noted for fluoride; exceedances of the secondary standards have been exhibited by iron and manganese. These exceptions are likely the result of natural mineral dissolution. Possibly, elevated levels of iron may be attributed to oxidation of well casings.

Dewatering Operations:

Groundwater was reached in the Cove pit in 1991, and to ensure stable pit walls and a dry pit floor for safe mining conditions, water had to be removed. A total of 23 dewatering wells and two in-pit pumping stations were developed in and around the open pit. During the last full year of dewatering in 2000, approximately 13,400 gallons per minute was pumped on a 24/7/365 basis. The pumping rate peaked at 19,000 gallons per minute on an annual basis in 1994 and 1995. Except for a small quantity of water used in processing and dust suppression for mining activities, the water was conveyed to a series of rapid infiltration basins located a couple of miles north and downgradient of the site and infiltrated into the alluvial aquifer.

Dewatering of the Cove Pit concluded on July 23, 2001. Since that date, all dewatering wells have been abandoned per Nevada State Engineers requirements and the Infiltration System area has been reclaimed.

Monitoring:

Seven groundwater monitoring wells remain on the site. Wells IM-2 and IM-3 are located hydrologically downgradient and monitor the shallow alluvial groundwater flow. Wells LP-

2D and LP-5D monitor the deep bedrock flow. Wells TM-3, TM-4, and TM-5 are located immediately down-gradient of the tailings impoundment and monitor the shallow alluvial groundwater flow.

Table 5 – Site Monitoring Well Data

Monitor Well I.D.	Total Depth, Feet	Depth to Water, Feet	Screen Interval
IM-2	70	34.9	15.5 – 35.5
IM-3	70	33.6	17 – 37
LP-2D	800	520	700 – 800
LP-5B	800	390	720 – 800
TM-3	120	86.2	86 – 106
TM-4	130	86.3	86 – 106
TM-5	150	86.8	77 - 97

The operator will continue to be required to monitor groundwater elevations throughout the mine site.

D. <u>Procedures for Public Comment</u>

The Notice of the Division's intent (i.e. Notice of Proposed Action) to renew the water pollution control permit, authorizing the facility to close subject to the conditions described therein and according to all information received from the Permittee and approved by the Division, is being sent to the <u>Battle Mountain Bugle</u> for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit renewal can do so in writing within a period of 30 days following the publication date of the public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the Regional Administrator of EPA Region IX or any interested agency, person or group of persons. The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed facility or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC 445A.406.

E. **Proposed Determination**

The Division has made the tentative determination to renew this water pollution control permit.

F. **Proposed Effluent Limitations, Schedule of Compliance and Special Conditions**

Except as detailed in the Permit, no proposed limitations, schedule of compliance, or special conditions are stipulated.

G. **Rationale for Permit Requirements**

The various components are being closed as zero-discharge facilities. The Tailings Storage Facility is equipped with a liner system and seepage collection pond.

Groundwater quality beneath the site has been historically monitored and no degradation from mining activities is indicated from prior operations.

H. **Federal Migratory Bird Treaty Act**

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50CFR10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with state permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of toxic water. Methods which attempt to make uncovered ponds unattractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Boulevard, Suite 234, Reno, Nevada 89502-7147, (775) 861-6300, for additional information.